

THE DRAGON'S TEETH
A MYTHOLOGICAL PROPHESY
By T.M. SAMPLE

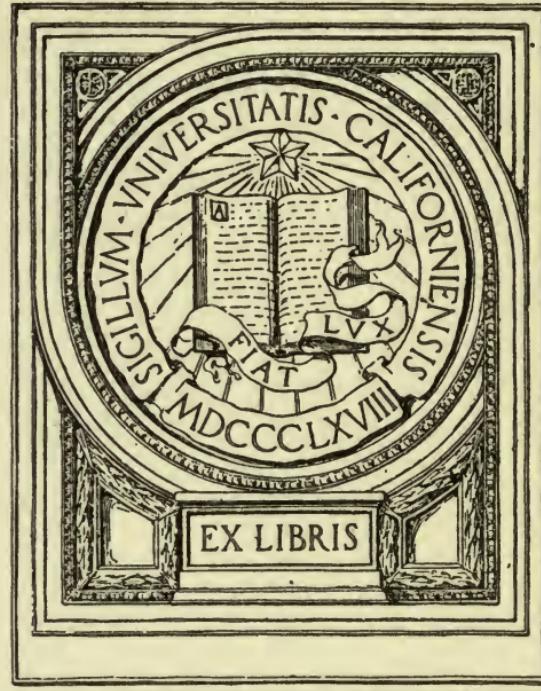
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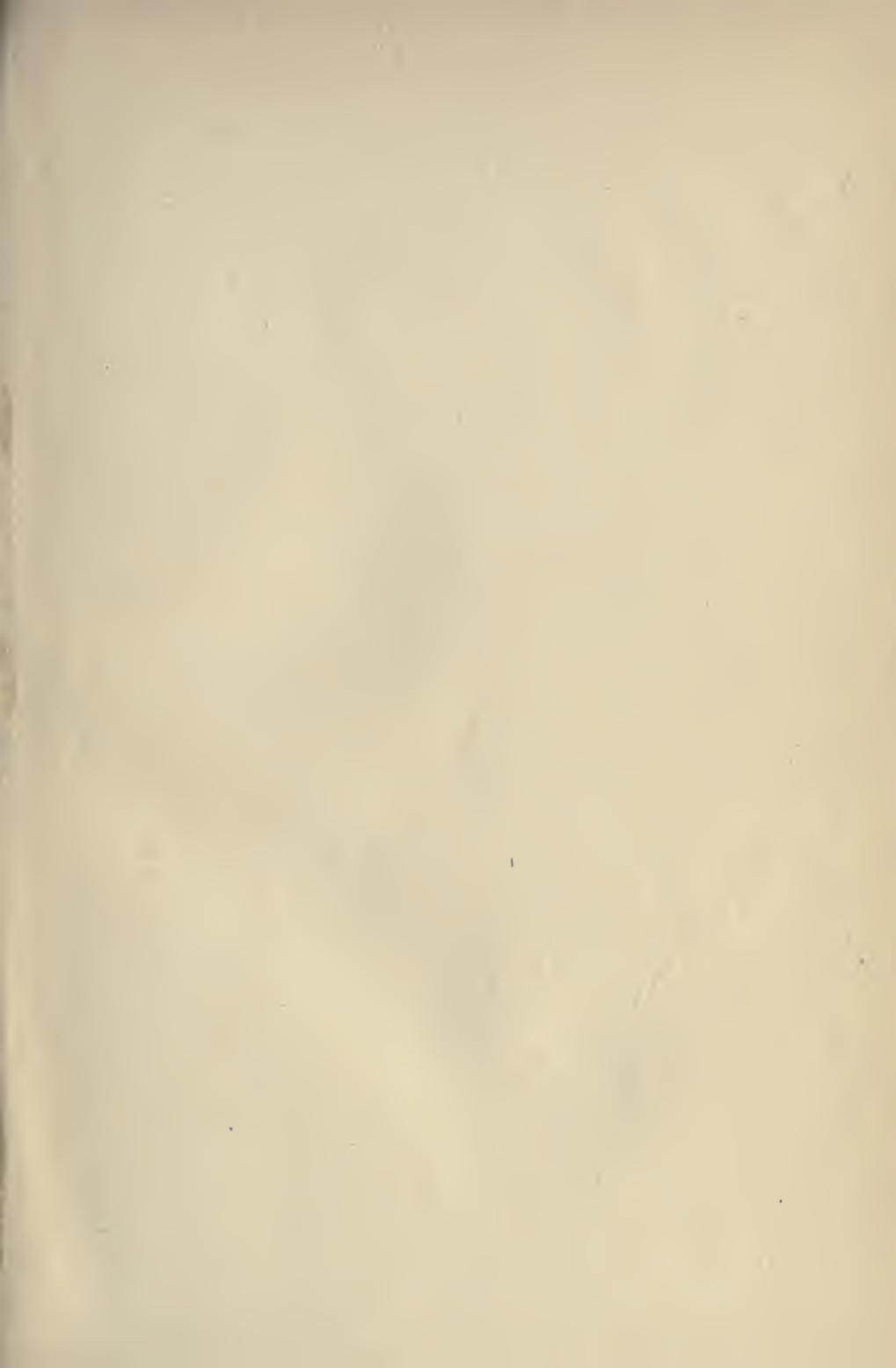
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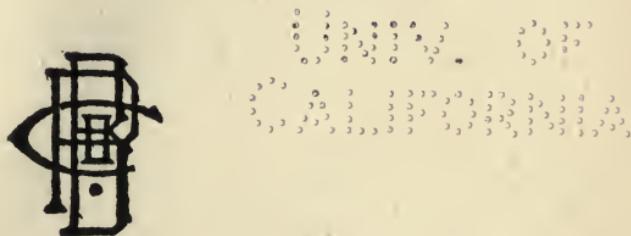
(*Dragon's Teeth.*)

The **DRAGON'S TEETH**

A MYTHOLOGICAL PROPHESY

By
T. M. SAMPLE

"*Justice to the Laboring Classes, and to An Advancing Civilization, demands
that Money be put upon a Permanent, Equitable, Scientific Basis.*"



THE GOSPEL OF HUMANITY.

A Discussion of Ethical and Economical Standards. Protest, Warning, and Suggestion. Also a Treatise on the Principles for a Scientific Money.

BROADWAY PUBLISHING CO.
835 Broadway, New York

BRANCH OFFICES: CHICAGO. WASHINGTON. BALTIMORE.
ATLANTA. NORFOLK. FLORENCE, ALA.

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By T. M. SAMPLE

DEDICATED
TO THE HOMES OF AMERICA

*The world is full of change, and "waxes old
As garments worn"; and Time, with wrinkled face
And shrunken limbs, the footing years apace
Treads on, and leaves behind a cank'ring mould.*

*The hills are naked, and with gullies rent;
The forest from the woodman's axe recedes;
The brook flows sullenly 'mid tangled weeds,
Where once through sunny meads it laughing went.*

*The friendly faces which my boyhood knew,
Long since have faded from the earth away;
Remembered are they still, and loved for aye;—
I find no other friends so leal and true.*

*The old farmhouse, my happy boyhood home!
Fond memories of youth it still recalls;—
Wild, creeping vines festoon its mould'ring walls;—
The broken family far distant roam.*

*I pass the house with low-bowed head, and seek
The orchard, where bright, happy days were spent;—
A few old trees, now, knotted, knarled, and bent;—
I turn away with heart too grieved to speak.*

THE AUTHOR.

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SALUTATORY

There are some questions which appear to be of paramount social interest ; and while I am not a seer, I have given to these questions some consideration and thought ; so please sit down with me, and we will talk them over together. We will leave out all sectarianism, all political partyism, and every other kind of an ism, for controversies on those things mar the most sacred of friendships, destroy the unity and harmony of social life, and only hinder progress and reform.

While I am profoundly grieved at the great inequalities in life, the misery and injustice of it all, I write not in bitterness, but in the most kindly spirit. I will not intentionally say anything to hurt your feelings. You have your cherished beliefs and predilections, I have mine ; and I have the greatest respect for your honest convictions, no matter what they are ; so please remember, that whatever I may say, it is only my opinion, belief, or idea, in which I may be wrong ; and I accord to you the fullest liberty to entertain an opposite ; in fact, honest criticism is necessary to the understanding of any subject.

Many able men have written on social questions. It is the oldest of all subjects. Much of what has been written is only the fanciful chimeras of excited imaginations. In what I shall attempt to say, I mean to be as practical and philosophical as possible, but never dogmatical. With advancing age I have less and less patience with dogmatical teachers on any scientific subject the solution of which depends on human wisdom alone.

I purpose to stay in a perfectly good humor, and I want you to do the same.

If I were writing for fame, I might try to employ eloquent phraseology ; but since I have not that object in view, I shall only use plain, every-day Eng-

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lish, and you will not need a dictionary to understand me.

I do not claim complete originality in what follows in this book. Perfect originality is rare, if not impossible. I have read some of the writings of various authors; and have so incorporated with my own, ideas received from them, till I am no longer able to make a distinction without rereading the same authors, and that I have not time to do. In some instances I may appear to be a plagiarist; but if so, it will be accidental, and not intentional.

We are both citizens of the same great country. Whatever public policy affects you, affects me; whatever is for your ultimate best interests is for mine also.

Now, just for you and me, personally, it little matters what kind of a civic policy dominates, or what kind of a government we have; for those changes which permanently affect the social and industrial life of a people usually come so slow, and the alterations made in one lifetime appear so small as to be scarcely noticeable, unless we stop and carefully compare present with former conditions. As men become inured to circumstances and environment, they become calloused with indifference. Before any great social change is wrought, the curtain will be rung down for you and me, and other actors, another generation will come on the stage; but while we are performing our little parts, let us examine what is being put on the boards for the next act, the one our children will have to play.

Our fathers, by indomitable courage and patient industry, converted a savage wilderness into a fruitful and peaceful habitation; they planted here the tree of Civil Liberty and watered it with patriot blood; they threw off forever the yoke of foreign aggression

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and oppression, and established a free, representative government composed of sovereign citizens, and guaranteed in a sacred written compact, called the Constitution, certain inalienable civil rights to every individual citizen that must not be violated. The Constitution, and the laws based upon it, recognize no classes among our citizenship; all are equal before the law.

The law of Equal rights released the mind,
Unfettered spirit, burst the bars of Fate,
That class distinctions might no longer bind,
That only the deserving may be great.

Thus our fathers laid the foundation of our Government wisely and well, and the greatest nation the world has ever seen has been built upon that foundation. We are the heirs of this inestimable estate. Our children will heir it after us; and it is our sacred duty to transmit it to them unimpaired and unencumbered. Our natural resources, though great, are not inexhaustible; and our precious liberties, though placed in our own keeping, may be abridged, if not destroyed, by greed and class aggression. Our wealth of forest and mine, of valley and stream, should be conserved and preserved; every aggression prompted by avarice and greed must be effectually put down; and, more than all, the sterling qualities of justice, honor, and fair-dealing, both in private and public life, must be given to our children as the best part of their inheritance.

I bear no hatred against any man, or class of men. While my views may be at variance with those entertained by many of my fellowmen, and even opposed to their conduct and policies, it is in a kindly tolerant

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spirit that I present my opinions on vital public questions.

Hereafter, I will less frequently use the personal pronoun; though in my book, I like to feel that I am a man talking to other men who have like thoughts, feelings, and sentiments.

What follows in this book is intended to be strictly confined to the physical well-being of man in the social state, except that there is a twilight zone between the physical and spiritual that must be touched upon in treating of either; but these are only touches occasioned by the necessity of the subject. The expounding of spiritual Truth belongs to Apostolic authority.

When a man builds as ordinary a structure as a house, he builds it by some plan; in like manner, the character of an individual, or of a people, is fashioned after certain standards, true or false. It has been my conscientious endeavor to make a philosophical distinction between the standards of human conduct affecting the well-being of man in civilized society, to expose the false, and to indicate the true.

THE AUTHOR.

The Dragon's Teeth

CHAPTER I.

A MYTHOLOGICAL PROPHESY.

Grecian mythology relates that when Jupiter, in the disguise of a white bull, abducted Europa, the fair and favorite daughter of Agenor, the father was so affected by grief that he rent his garments, and ordered his three sons, Cadmus, Phoenix, and Cilix to go forth and seek her. The three sons, accompanied by their mother, Telephassa, started out in search of their lost sister, inquiring of all they met if they had seen her.

At last, weary of the hopeless quest, two of the brothers, Phoenix and Cilix, abandoned their travels and settled in countries that afterward took their names. Finally, after all the vain and weary wanderings in strange lands, Telephassa, the mother, worn out with grief and fatigue, lay down to die, charging her oldest son, Cadmus, to go on alone.

Cadmus wandered on till he came to Delphi, where he consulted the oracle; but, to his great dismay, the only reply he received was, "Follow the cow, and settle where she rests." In deep perplexity he left the temple, and from force of habit, journeyed on, patiently questioning all he met. Soon he perceived a cow leisurely walking in front of him, and mindful of the oracle, he gave up the search for his sister, and followed the cow.

The novel spectacle of a man following a cow across the country, and his strange reasons for doing so, at-

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tracted attention and excited curiosity. A number of adventurous persons became his companions on the way, and, when the cow at last lay down in the land since called Bœotia, they all promised Cadmus, their chosen leader, to help him found their future capital, which was to be called Thebes.

Parched with thirst after their long and toilsome journey, the men hastened to a neighboring spring to drink; but, to Cadmus' surprise, time passed, and still his companions did not return. At length, armed with his trusty sword, he went himself to the spring to discover the cause of their delay, and found that they had been devoured by a huge dragon. Cadmus raised his sword to avenge their death, and killed the dragon by a well-directed blow on its head.

While Cadmus stood there contemplating his lifeless foe, a voice bade him extract the dragon's teeth, and sow them in the ground already broken for his future city. No human being was within sight: so Cadmus knew the order proceeded from the immortal gods, and immediately obeyed. The dragon's teeth were no sooner planted than a crop of giants sprang from the soil, of immense and terrorizing stature, and panoplied for battle. They were about to fall upon Cadmus, when the same voice bade him cast a stone among them. Cadmus, seeing the giants were almost upon him, and that no time was to be lost, quickly threw a stone. The effect produced was almost instantaneous; for the giants, each fancying it had been thrown by his neighbor, began fighting among themselves. In a very short time the number of giants was reduced to five, who were constrained to sheathe their bloodstained weapons, and humbly tender their service to Cadmus.

With their aid, the foundations of the city were laid; then the gods lent their assistance, and caused

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many of the public buildings, amazing in their beauty and perfection of architecture, to rise up out of the ground; Jupiter sent Amphion, and while the immortal musician played on his lute, the stones waltzed into place of their own accord, and soon beautiful, god-built Thebes was walled and finished in beauty and marvelous splendor. Jupiter gave Cadmus for a wife, Harmonia, the gentle daughter of Mars and Venus, and contentment, peace, and happiness filled the city and all the land of Boeotia.

The dragon, that Cadmus slew, had devoured the people; the teeth of the dragon, when sown in the soil, immediately sprang up great giants, because, planted in the soil, they absorbed the produce of the earth, which accounted for their rapid and phenomenal growth.

When the giants attained their full stature, Cadmus, who represented the people, was in more danger from them than he had been from the dragon. Cadmus could slay a dragon; but he was powerless to contend with a host of giants; he made no attempt to fight them as he had the dragon, but in obedience to the command of the immortal gods, he provoked them to fight each other, and thus caused their own self-slaughter. After the conflict of the giants was ended, and there remained only five of their number, Cadmus, very wisely, made no effort to destroy them, but reduced them to obedience, and employed them in the service of the people.

As an allegory, the dragon in the story represented the assumed divine right of kings to rule and the arrogation of superiority and special privileges by the aristocracy attached thereto. The teeth of the dragon typified the several powers of government which were used by the kings and the aristocracy for their own benefit and the oppression of the people,—for the en-

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richment of the few by the impoverishment of the many.

The law-making power, the administration of law, the military and police authorities, public utilities, and money, constituted the five principal powers of government that, at that time, were held exclusively by the king; these, together with numerous special privileges granted to the aristocracy, were the teeth of the dragon. Cadmus represented the people who had been crushed and devoured by the royal-aristocratic system. Special privileges in the use of public utilities composed the larger number of the dragon's teeth—the molars—used in a grinding process of oppression; the other powers of government were employed as the incisors, to separate, divide, and make ready for delicious mastication by the molars the choicest morsels of the people's production to appease the dragon's insatiable appetite; money was made the cuspidated tusks of the dragon by which it seized and held its victims.

As a prophesy, this mythological story describes the history of this government up to the present time with amazing accuracy. The first immigrants to this country, who had fled the oppression of the Old World, had hardly settled in their new home before the dragon thrust his hated head across the Atlantic. Oppression began, and the virgin soil of the New World was baptized with blood. Washington, the Cadmus of America, representing the people, dealt the "Divine right," or any other kind of a right of kings to rule, a fatal blow so far as this country was concerned; but in establishing a new government, the dragon's teeth, the necessary powers of government, particularly those of money and public utilities, were sown broadcast, and left to private control. Thus the public service was surrendered to private

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corporations. Individual liberty, which had been purchased with the effusion of patriot blood, appeared to demand that this be done, that there might be the least possible interference therewith. The danger that personal liberties might be destroyed by special privileges, unless the superior claims of society were first recognized, preserved, and maintained, was overlooked.

Special privileges, in the form of grants, patents, charters, and franchises in the land and mineral rights of the public domain, in mines, in the public carrier service, in water plants, in power plants, in street railways, in electric and gas lighting, in the telegraph and telephone, finally in the manufacture and handling of agricultural and timber products, were given to private corporations unconditionally and without consideration under the plea of public necessity, the settlement of unoccupied lands, and the development of natural resources.

Soon after the invention of the steam engine, railroad companies began to form everywhere. When one railroad was built, another was applied for on the excuse of building a competing line,—the people never dreaming that they would pool their interests so as to swell their dividends from the profits of production.

Manufacture stimulated invention, but all the wonderful labor-saving machinery invented by American genius was grasped by the corporations, and employed by them to increase their profits.

Sown in the fallow soil of private rights, the dragon's teeth sprang at once into colossal giants.

Corporation development had been going on all the time with constantly accelerated growth, but the corresponding progress and improvement of a new country, rich in natural resources, engaged the at-

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tention of the people, and the menacing size and character of corporations remained for a long time unnoticed by them; in fact, they encouraged their formation, believing they were encouraging what is called "investment of capital," that would bring money into the country,—and they sowed the dragon's teeth with willing hands.

For the first hundred years of our Republic, private corporations did assist in the country's development, in the increase of material wealth and comfort, notwithstanding their criminal waste of the natural resources. Their menacing magnitude, character, and power was not discovered by the people till about the year 1890. At that time there were numerous great corporations, but no big trusts, as exist now; nor had they ever attempted to control prices as the trusts are doing to-day. Their methods had been more legitimate. Stock-watering, and high-financiering, had not been practiced to any considerable extent; but the people became alarmed at last, chiefly by the attitude of the public carriers—the railroads—and the result was the passage by the Congress of the Act entitled, "The Sherman Anti-Trust Law." That was the stone cast among the giants. They began immediately thereafter to form mergers. The lesser rivals were either absorbed or destroyed; hence arose the great trusts of to-day, who control money, labor, the prices on all commodities, and have raised the cost of living till the very life of the people is threatened; and their power is so deeply rooted in the economic system of the country, that, if any serious attempt is made by legislation and the administration of law to restrain them, they retaliate upon the people by causing business and financial depression.

The time employed in fighting the trusts is time lost. To contend with them is useless. Cadmus did

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not fight the giants, but when their number was reduced to five, representative of the five great necessary powers of government, he took them over bodily, and employed them in the service of the people. Had he crippled, or injured them, he would have lessened their ability for public service. So the thing to do is (for the Government, because the superior claims and welfare of society demand it), to take corporal possession of the trusts, and reduce the public service to a service of all the people. Then, the five great giants of government, made subject to popular will, would lay the foundations of a perdurable prosperity. The produce of the soil, and the products of men's hands, no longer wasted and misapplied, the barren places of the earth would bourgeon into beauty and bloom. Amphion, the divine musician, would return, making melody in the hearts of a contented and prosperous people, and build the walls of a perfect peace. The gentle Harmonia would again leave the skies, and become the consort of human happiness.

CHAPTER II.

PUBLIC OWNERSHIP OF PUBLIC UTILITIES—NATURAL LIBERTY AND CIVIL LIBERTY DEFINED

While it is true that we should think considerately and well before we make any departure from a law or principle founded in the combined wisdom of the best and wisest men, and stamped with the approval of centuries of the best thought, observation, and experience; it is equally true that in the evolution of governmental policies and social ethics, new conditions are evolved, which the old philosophies will not solve.

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Corporations, combines of labor and capital, confront society with a new condition, fraught with grave consequences, which has to be met and solved.

From the time of primitive man, when each one, independently, pursued his own will, on down through the ages, the gradual evolution of ethics in civilized society has been embodied in Civil Law, defining the rights of society and the individual citizen; but a strange creature has walked in upon the stage of human endeavor—a colossal giant—the corporation—defined in law “a fictitious person,” embodying in one organized body of men the combined powers of many. Greed laid the egg that hatched out this giant in the nest of common rights. Up to this time it has been fed with everything to nurture its growth and increase its power. The Government has passed numerous laws for its particular benefit, and an inventive age has furnished it with machinery to wonderfully augment production for its own enrichment, and the people find themselves crowded out of the nest.

When men first organized themselves into society, there had to be some recognition of other than individual claims. As progress has been made in the social state, Civil Law has been evolved from the needs and requirements of social and business relations, and Civil Liberty has taken the place of Natural Liberty. Civil Law discovers and defends the principles of public justice, whereby the personal liberties of all, not in conflict therewith, are protected. Under Civil Liberty, society has rights of its own, which are paramount, and which each individual must regard and respect. Personal liberty can only be exercised within the limit that Civil Liberty prescribes; but the Civil Law, which governs and protects society, also protects the individual in the proper use and enjoyment of his personal liberties. Natural

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liberty, such as the savage had,—that is, freedom to act as the individual will may dictate without regard to the effect such action may have on the rights and privileges of others,—cannot exist in civilized society.

Common law, and statutory law, express the combined wisdom and experience of lawmakers who have lived and legislated in the different ages and countries of civilized mankind. The progress has been slow; for nothing of substantial and enduring worth is of ephemeral growth. The science of geology informs us that the earth was ages in attaining its present form; in like manner, the social development of man has been the gradual unfolding, understanding, and practical application of true ethical principles.

Progress and innovation are two very different and distinct things. Progress, which is stable and lasting, builds securely upon the bed-rock foundations, which have already been laid; innovation would tear down the old edifice which has been centuries in building, and erect instead a structure of its own on a foundation of sand.

Human knowledge, science, and law, have made marvelous advancement, and will continue to do so; but the progress, in the main, has been by the slow processes of accretion and growth; yet, there have been times when moral and social changes in government and society appeared to come with great suddenness; but if we examine antecedent conditions we shall find that the moral forces causing them had been long developing. It is during the bright, calm days that the sun's calorific rays are stored in the bosom of ether in potential energy, where their mighty power remains unseen and unappreciated till some strong electrical current disturbs their equilibrium, when their dynamic force suddenly breaks forth in the fury of the tempest, setting in irresistible

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motion the winds that level the forests to the ground, or lash the surface of the ocean into surging billows; so, sometimes, moral forces accumulate energy quietly and unobserved—their potentiality unappreciated, save by a few students of social events; in the fullness of time, they break forth in revolution with the suddenness and irresistibleness of a storm, and a great change is wrought in a brief period of time. Certain forces have long been at work in our Government which will inevitably cause a revolution. We hope it will be peaceful and bloodless; but who can tell?

Liberty, whose divine loveliness woke to melody the souls of great poets, and enraptured the minds and hearts of men, was Heaven-born; and wherever she has been crowned, the beautiful pillars of her throne are justice and equality before the law.

Many things taught in the name of Liberty put her to shame; because they are only pleas for an unrighteous and dishonest license, for the grant of privileges and immunities without regard to the claims of right and justice. The foul-mouthed anarchist speaks in the name of Liberty, but his teaching, if adopted, would destroy organized society, and put mankind back into a state of savagery; even their natural liberties, which anarchists so much desire, would be at the mercy and caprice of their savage, unrestrained, lawless neighbors; life, and personal peace would be in constant jeopardy; the peaceful and undisturbed possession of property would be impossible; justice would be disregarded, for law could not exist; the arts and sciences would be neglected and forgotten, and every noble impulse and aspiration of men for better things would be crushed.

The principles of right and justice never change. The things which justice required in the relations and dealings of men in the beginning of organized so-

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cietiy, are as necessary now as they were then. While statute has been added to statute in the body of our statutory laws, until they have become complicated, intricate, and involved, really, the elemental principles of right and justice are few and simple; but the complicated, involved nature of our statutory laws are frequently employed to defeat the ends of justice—the very things they are supposed to secure. Often, while lawyers are engaged in a fine sword-play with statutory laws, wrong triumphs over right, crime goes unpunished, and the people lose confidence in the integrity of the courts. It would be a good thing if about nine-tenths of the statutory laws of our country were committed to the flames; for we have too many laws.

The great Common Law, founded in the conscience, experience, and relations of mankind to each other in civilized society, has been a slow, accretive growth. One by one the principles of right and justice have been discovered, established, and applied. The sublimest expression of the common law is phrased in the Bill of Rights in our National Constitution, which guarantees to each citizen the inalienable right to "Life, liberty, and the pursuit of happiness"; and the right of trial by a jury of his peers.

The laws need to be justly and impartially enforced. An unjust or partial administration of law destroys confidence in the honesty of those who administer it, and creates a contempt, a disrespect, and a disregard for all law. Justice, like its Divine Author, "is no respecter of persons," and demands that all should stand equal before the law.

The causes for some of the delinquencies in our administration of justice are an indefinite understanding and misapprehension of the several legitimate powers of the separate departments of government, jealousy of local and "States' Rights"; but the chief

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causation is the corrupting influence of corporations.

Federation is the central idea of constitutional government. Our Government is particularly built upon the federal principle. The Civil District, or Townships, are federated into counties; the counties, into States, organized under separate constitutions; and the States, into one grand Union of States, under the Federal Constitution. The primary intention of our Government was to accord to every citizen the fullest measure of personal liberty not in conflict with the rights of society; and to give to local communities the undisputed privilege to control their own local matters. Everything, which affects only the local interests of a community, should be under local control; everything which affects only the particular interests of a city, should be under municipal authority; everything which affects only the interests of a State, within the State, should be under State regulation; but everything else, which by its nature, effects, or influence, goes outside of a State, and affects the whole people as a nation, should be under National supervision; to the end that individualism may be restrained, extortion and discrimination prevented, and the tyrannical abuse of power prohibited. Whatever affects the national interests, can only be properly and efficiently controlled by the National Government. The time has come when public interests must be controlled by the public for the Common Good.

The time has been when efficient public control might have been had without public ownership, when corporations were in the nascent period of their existence, before they attained their colossal magnitude and power. We are free to admit that, at the first, it was not the intention of our Government to be a property owner except so far as was necessary to the enforcement of its supervisory regulations in times

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of peace or military authority in times of war. Evidently the intention was that the people should own the property, and that the Government would protect them in their civil rights and personal possessions; but it failed in its protection by allowing the corporations to take away from the people their rightful heritage. The Government is under just obligation to the people to restore that which has unjustly been taken away. This it must do, or fail in the chiefest aim for which it was created. The question is not whether it should be done, but how to do it best and most equitably with the least disturbance to honest property rights, the integrity of which must be maintained.

The first blessing secured to mankind by Civil Liberty was the right to honestly acquire property, and hold it in peaceful, undisturbed possession. The corporations advoke to their aid this truth, and proclaim that nothing must be done to violate the "Sacred rights of property," that they may peacefully enjoy their illgotten gain. Has a robber any "Sacred rights in property" which he has acquired by theft? Most emphatically, no. The "Sacred rights to property" are vested in the ones to whom it justly belongs.

It was the intention of the framers of the Federal Constitution that our Government should be purely supervisional in character, and that each individual citizen, and his honestly acquired property, should be under its authority and protection. At that time, there were no railroads, no telegraph, no street car lines, no large mines opened up, no great furnaces or factories in operation, and that man-made giant, the corporation, had not come into existence. The honored founders of our Government were wise men; but they could not foresee these things, nor the dangers to the public interest which the corporation would en-

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tail; they could not foresee the wonderful inventions of labor-saving machinery soon to be made, else they would have made provision to secure their benefits to the people; and the lack of that foresight allowed this machinery to come under the ownership and control of the corporation manufacturer, who has received all the benefits of increased production in the form of immense money profits, while the people, instead of being benefited, have been impoverished, and the opportunities for remunerative employment greatly reduced; they could not foresee that these things would cause combines of class interests, capital against labor, and labor against capital, subversive and destructive of democratic government; they could not foresee that the natural wealth of the country would be wrested from the people, its rightful owners, and appropriated, wasted, and depleted by corporate greed. Heedlessly, they sowed the dragon's teeth. If, when franchises to corporations were first granted, the Government had retained and maintained full control over them, the public interests would have been conserved and protected; but since it failed to do this, corporations took advantage of every means to increase their power until now they control the industries of the country and dominate the Government itself. No one questions the right of the Government, through its legally chosen representatives, to grant franchises to individuals, empowering them to own and operate public utilities, if the rights and interests of the people are fully protected; but it has not the right to relinquish control over such corporation, for by so doing, it jeopardizes the public welfare by placing common privileges at the mercy of private interests.

In a newspaper article, published in the "Chattanooga Evening News," the 17th of March, 1906, we wrote the following: "Every business corpora-

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tion which has outgrown State limits, and gotten beyond the control of the State where it originated, affects interstate commerce, and justly comes under the provision of the 'Interstate Commerce Clause' of the Federal Constitution. There is no present necessity for revising the Federal Constitution to secure control of corporations, if the 'Interstate Commerce Clause' is given a liberal interpretation. Anything of a national character, which affects the health, the business, or social welfare of the people in all the States, cannot be controlled by local State laws, nor should they be. All attempts to do so have proven futile in the past; and, on account of some special local interest, often prejudicial to other sections. The powers of the Federal Government under the Constitution need only to be definitely understood, amplified, and enforced."

Since writing the above, some of the best minds in the nation have endorsed our position. We were fully persuaded at that time that government ownership was unnecessary, and argued against it; because we thought that effective national control could be had without Government ownership; but experience, observation, and a close study of the question, has convinced us that adequate supervision cannot now be had without first restoring to the Government for the benefit of the people what was taken away from them by corporate greed; and Government ownership is the only practical solution.

Our very "strenuous" President* has been thundering against trusts and combines for four years, and has accomplished practically nothing more than the arousing of public attention. As long as the corporations are left the ownership and control of the money and

*Roosevelt.

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the industries of the country, they can, and will, bid defiance to governmental regulation. They employ nearly all the labor, and have the power to dismiss it, or to reduce wages, at will; they control the volume of money in circulation, and can at any time withdraw it from the channels of trade and investment; and the vital interests of the people are completely at their uncertain mercy.

But you say, "It is impossible to carry on the great commercial and public enterprises with individual capital"; and so it is. Concentration of capital and of labor is the development of our modern civilization, and is absolutely necessary; but this centralizing of capital and labor might all be done by the Government in such a manner that the people would share in its benefits. The argument that this is impracticable is both illogical and false. For really large undertakings, it requires the resources of a nation to accomplish them. Who but a nation could have constructed the military roads of Italy, which, after centuries, remain as monuments to the Roman Empire? Who but a nation could have constructed the Suez canal? What individual or corporation could have undertaken the colossal task of digging the Panama canal? What individual or corporation would operate the Postal Service of the United States and give to the people as cheap and efficient service? This, notwithstanding the fact that the benefits of our Postal System could be greatly extended, and would be, were it not for the conflicting interests of the big Express companies, who are pandered to by the Congress because they are powerful corporations.

There never has been in the history of the world such opportunities for an ideal humanity as exist in this present age. Inventive genius has invented labor-saving machinery, increasing the powers of produc-

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tion many fold; science alchemically discovers to man the wonderful riches in the storehouse of nature, and art lays her treasures at his feet; the public utilities of railroads, street cars, electric lights, telegraph and telephone, have become not only conveniences, they are necessities of modern civilization. If the Government owned and controlled these mighty agencies for the welfare, comfort, and happiness of all its citizens, none would suffer want; the hours of labor would be shortened, allowing time for recreation and the improvement of the mind; the standard of living of the masses would be immeasurably elevated; and instead of an impoverished, toil-enslaved, discontented populace, we should have a prosperous, contented, happy people. And that good time is coming. The inevitable evolution of ethical forces are working in unison to hasten it on. Greed and avarice may delay it, but in the end the great moral agencies engaged in bringing it about will be as irresistible as the tide of the sea.

CHAPTER III.

LESSONS TAUGHT BY LABOR STRIKES

In the anthracite coal-strike of the winter of 1903, when the operators and owners of the mines put up the price of coal to nine dollars a ton in the middle of a cold New England winter, causing widespread suffering among the poor, the just-thinking people of the whole country were shocked at the criminal injustice. D. B. Hill, of New York, a man distinguished for his conservatism, and who, while a member of the United States Senate, voted and worked against the passage of the Income-tax Law (the best law ever passed by the national Congress), was exasperated by the cold-

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blooded inhumanity of the mine owners into declaring in a speech that "If such conditions cannot be prevented by law, they emphasize the necessity for Government ownership." About the same time, the author wrote two letters—one to President Roosevelt, the other to John Mitchell, president of the Coal-Miners' Union, and mailed them both at the same time on the train in the Grand Central passenger station, Cincinnati, Ohio. We wrote to President Roosevelt that it was in his power to settle the anthracite coal-strike by arbitration. That the coal-miners, we were sure, would be glad for him to arbitrate the differences between them and the operators, or else for him to appoint a commission to do so; and that if he requested the mine-owners to submit to arbitration, public sentiment would compel them to agree. We wrote to John Mitchell along the same line, and suggested that he go to Washington City and see President Roosevelt personally, and state to him the willingness of the miners that he should arbitrate the differences between them and the mine-owners, or that he appoint a commission to do so. We further added, that if he succeeded in this, as we felt confident he would, that it would be a national recognition of organized labor, and the tallest feather ever put in its cap. In three or four days after we wrote, John Mitchell went to Washington City, saw the President, and the arbitration was arranged for exactly according to the suggestions which we had made. The mine-owners were afraid not to agree to it, just as we had believed. It proved to be not only the tallest feather in the cap of organized labor, it was also the tallest feather in the cap of the Administration, and contributed more than any other one thing in electing Mr. Roosevelt for a second term. It gave John Mitchell national prominence, and he has since been promi-

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nently mentioned for the Vice-Presidency on the Democratic ticket. President Roosevelt replied to our letter through his secretary, Mr. Loeb. John Mitchell did not reply. They both received national honor and credit for the settlement of the strike, while my humble connection with it has remained unknown; but we are satisfied that an intolerable condition was relieved after the manner of our suggestion. We only mention the incident to show that the criminal injustice of corporations has, at times, forced on the minds of the most conservative, the necessity for government ownership.

Again, in the winter of 1905, the railroad companies of the North West refused to furnish cars to haul coal, endangering the very life of the people resident there, and forcibly bringing to public attention the imperative need for government ownership. Numerous similar incidents could be narrated, but it is useless to take up the reader's time with the narration of events with which every intelligent person is familiar.

At that time, and before, we were strongly in favor of organized labor, and our sympathy was usually on the side of the strikers. We are still in favor of organized labor as long as there exists organized capital, because, while present conditions obtain, it is a necessity; but what about the great mass of the people who are not in either organization? Placed between the upper and nether millstones of organized capital and organized labor, they are being crushed. When a mine, or a furnace shuts down, as in the case of the anthracite coal-strike, the operators, are for the time, released from the expense of operation, while they are given the chance to clean up accumulated surplus stock; besides, they take advantage of the circumstances to raise the price of their products—an increase which the consumer has to pay. The corporations make

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enormous profits out of labor strikes at the expense of the common people. The strikers may gain some temporary advantage to partially compensate them for loss of time, but the people are robbed to pay the cost. We believe that many labor strikes have been intentionally precipitated by the corporations themselves, that they might cut off the expenses of operation, and reap a harvest of increased profits.

When any class of men organize to secure for themselves certain benefits, privileges, and immunities, denied to other citizens, it is wrong in principle, destructive of the public welfare, and in opposition to democratic government. It accentuates differences in rank by arraying one class of citizens against another, engendering a spirit of intolerance, fruitful only of animosities and strife. It is destructive of patriotism, because it circumscribes the interests and sympathies of classes, who cease to look beyond proximate benefits to themselves, and care little for public rights and the Common Good. With the corporations and the labor unions the public has no rights. We are opposed to either kind of organization; for they are alike subversive of democratic government.

A perfect democracy has never yet existed, because its perfection can only be attained among equals. Perfect equality can never exist where classes are formed and divided by separate, antagonistic interests; but if these barriers should be removed, as some time they will be, class-distinctions would disappear, and the people would rapidly approximate toward a democratic equality.

Combinations have reached an extent and a power in our Government which is already almost intolerable. The same men who own the railroads, own the coal-fields, the oil-fields, the iron and copper mines; they control money and banking, and through the banks,

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the business of the country ; they own and control the manufactories and mechanical production, and even the products of the farm fall into their greedy grasp. The people can scarcely buy an article of food or clothing, or any necessary commodity without being compelled to pay a tribute to some trust or combine.

Among various things of manufacture, is the "money panic." For a few years previous to the manufactured, made-to-order panic of 1907, we had, what was called prosperous times ; but what kind of prosperity was it ? It is true that the laboring people were generally employed at seemingly fair wages, which kept them hopeful, and maintained a measure of confidence. Simply because they were given work, they were satisfied ; and did not realize that they were slaving to increase the profits of corporations. The cost of living, already high, kept going higher. If they were forced to buy less of any article, because of insufficient means, it had no effect toward reducing the price, which continued to advance instead of falling, because the natural law of supply and demand no longer has any influence in fixing the prices of commodities—prices are now made by the trusts—and they found that it took all of their wages to barely subsist. When the corporations brought on the panic in 1907, about four million of laborers, who were thrown out of employment, had not enough to pay their next week's house-rent and grocery bills. The wages which had been paid to them had all been turned back into the maw of the Octopus of Greed. The corporations had beat them out of the profits of their labor, and then robbed them of their wages. In proof of this statement, we offer the following, which is copied from the "New York Times" of June the 12th, 1909 :

"The 'bread-line' at Fleischmann's bakery last night,

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save one, a night of last winter still holding the banner. On that night two blocks were encircled and the ends of the line met; 1,200 hungry men were in line. Last night Mr. Adams put the number at more than 1,000, and declared that it was *double the length of a year ago.*

"It was the first time that the 'line' had been fed from the new place in Eleventh street, between Broadway and University place, and for the first time the head of the line rested at the northwest corner of Broadway and Eleventh street. The line, in some places, two men abreast, extended from Eleventh street up Broadway to Twelfth street, out in Twelfth street to University place, a long block, and down University place, another long block, to Eleventh street, and again into Eleventh street, with the end men within shouting distance of each other. 'It's Sunday night. That's one reason why the line is so long to-night, though it was much *longer than it was last Sunday night,*' it was explained at the bakery. The men are not fed Saturday nights, and Sunday, on account of the closing of the bars and business places, is a particularly hard night for the men who stand in line, so many who manage to get along somehow the rest of the week are usually in their places Sunday nights. 'Good night after a hard week,' was one explanation offered by the head of the line at midnight. 'I've been here since 8:45 o'clock,' continued he. 'I found a dozen fellers here then, and they have been coming ever since. I was smaller than the rest, so when we formed, they let me take the front.'

"Just before midnight, when the bread is given out, Mr. Adams went down the line and made the men close up and get into marching order. They do his bidding like children. 'If one were to attack me, the others would jump him instantly,' said Mr. Adams.

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"An intelligent man in the line, in reply to the Times' reporter's question, said, 'I am a mechanic, a cooper, but just now cannot get work. The park is my lodging-place for the present.'

"At the stroke of 12 o'clock, a policeman told the front of the line to move up, and each man helped himself from two large boxes. One man took two loaves, but Mr. Adams did not see him, nor did the policeman, so he passed on.

"It was hard last night, for the line was longer than expected, and there was hardly *half bread enough*.

"'All out,' said Mr. Adams, in a low voice, after the second crate and a hamper had been emptied. At that moment the hungry line extended up Broadway and far into Eleventh street.

"The despair on the face of the man who looked first into the empty hamper and heard the low-spoken words, 'All out,' was not easy to forget. He had certainly been in line, from his position, since before ten o'clock. He was weak from hunger, for the line was not fed Saturday night, and he had missed his loaf by one man.

"The line dissolved slowly. As each man heard the news he dropped out, with little heart to tell it to the man behind, and so for fifteen minutes the line in Broadway was still hopeful and still moving up. Only occasionally one, returning from the front, would stop long enough to repeat the soft-spoken, 'All out.'"

My countrymen, what think you of this? Famine and hunger in the midst of wealth and abundance! Out of the windows of Broadway mansions, some who were drinking and feasting, could see that awful spectacle of wretchedness and hunger! And that is only the account of one night in one place of one of our great cities!

There had been no drought, no failure of crops, no

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war nor pestilence. We raise enough on our broad plains and fertile lands to feed the world, and yet our own people are starving. In comparison with the old countries our own is as yet thinly populated. If the same system continues, what will be the condition of the people in a few years when the country will be more populous? There are one hundred multi-millionaires in the United States, whose combined wealth will in twenty-five years, by the accretive increase of interest rates alone, absorb all the money in the country; and that is equivalent to its ownership.

We sometimes ask ourselves these questions: What will become of the railroads when the people are no longer able to pay to ride over them, or to pay freight rates for the transportation of products? When they will no longer bring in a revenue to their owners, will the billionaires support them then for their own personal use and pleasure, to ride over occasionally in their gilded private cars? Or will they allow the machinery to rust, and the roadbeds to grow up in weeds? What will become of the costly hotels when the people can no longer afford to patronize them? Will the billionaires keep them up that they may dine in them once a year in sumptuous magnificence, or will they abandon them to the owls and bats? The business houses in the cities, and the residences also, are fast coming into corporate possession; when the people can no longer pay the taxes and rentals, the business houses will be vacated and allowed to fall into decay; residences will be untenanted, and weeds and brambles will grow in the streets. Such will be the inevitable consequences, unless there is a check, or stop, put to corporate greed.

As a familiar illustration, which is every day duplicated, we will relate the following:

Eight years ago, a gentleman of my acquaintance

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owned two houses and lots on which was a mortgage of \$2,500; but the houses were worth about \$6,000, and he hoped soon to be able to pay off the mortgage. He had two daughters, who at that time, were about ten and eight years old. They, with himself and wife, constituted a family of four. He was ambitious to give his girls a good education, and has done so; has given them a good literary and musical education, and has clothed them so they could go in the best society. Three years ago, he found it necessary to sell one of his houses in order to keep his children in school; and about three months ago, he sold the other house to satisfy the mortgage, which he had never been able to meet, when he found that he had \$1,000 left. Thirty-five hundred dollars had dwindled in eight years to one thousand, and those eight years covered the time of so-called great national prosperity. In addition to the \$2,500 taken from his original capital, he has made every year from \$1,000 to \$1,200 in salary. Extravagant, you say? Not so; he was only trying to educate his daughters, and to support his family respectably. Personally, he is a man of unexceptional habits.

The time has come when a man cannot support a family in respectability and comfort, and educate his children on \$1,000 a year. We know that this is true from personal experience. If a thousand dollars will not support a family in decency and comfort, what about the great majority of laborers who work for less than five hundred a year? With them it is a matter of bare subsistence; yet, if they are given work to keep them from starving, they call it prosperous times! It is prosperous times for the corporations who own and control the money and the industries of the country. They pile up their millions, and live in a style that the princes of the old world cannot afford.

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They have their mansions in the cities, costing millions of dollars, in comparison with which the lordly castles of the old world are mere hovels; they own their country villas, costing millions more, of which a king might well be proud; they have their magnificent summer residences at the various pleasure resorts along the coast; they skim the seas in their private yachts, some of which cost more than three millions of dollars—worth more than a whole galley of ships in the old Roman navy; they travel round the world in their private cars and private yachts, and astonish the citizens of the old countries with their vulgar extravagance; their women spend something like a hundred thousand dollars each a year for dress—a sum, which not many years ago, was considered a fortune; they eat the daintiest and most costly viands, and drink the finest wines; all this, while millions of their fellow-countrymen are denied not only the comforts of good living, but the commonest necessities of life. This condition exists solely on account of corporate greed.

Securing franchises from the Government under the specious plea of developing natural resources, or some much needed public service, the corporations have gone on extending their powers as the solidity of their combines was more complete, and they had more firmly in their grasp the money and the industries of the country, enabling them to control the manufacture and the prices of products, and the employment of labor and wages. They have cunningly fortified their position by subsidizing the legislatures of the States, the National Congress, and the Press, and by corrupting the courts—capturing the citadel of Justice itself.

Lawyers are professional men, and most of them regard it simply as a matter of business to work for

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the largest fees, and the corporations, having the money, are the highest bidders.

Ambitious young men, who are students of law, give more attention to the study of corporation practice than any other department of law, because it tempts with the promise of big fees, riches, and honors.

Formerly, a lawyer who could earn by the honest, industrious practice of his profession a hundred thousand dollars in a lifetime, was considered a good lawyer, and particularly fortunate; but now, hundred-thousand-dollar fees are frequently paid by corporations in single suits. The interests of the people are feebly represented in our courts because the best legal talent is employed on the other side.

No lawyer, no matter how great his abilities, ever honestly earned a hundred-thousand-dollar fee; but the corporations can well afford to pay such fees to put through dishonest schemes whereby they can defraud the public out of millions, or to defend their secret and nefarious practices in the courts. Having the money, they buy the best legal talent in the country; and by the same means, they subsidize the Press, and hire gifted speakers to mould a public sentiment in their favor, by persuading the people that capitalistic interests is the base and support of all industrial enterprise, and that to disturb them in any way destroys prosperity by putting labor out of employment and injuring business; (and, under the present system, they are right about it, for as long as corporations control the money and the industries of the country, they can make hard times whenever it suits them to do so;) they employ in their service the brightest and most capable young men, and pay some of them handsome—even magnificent—salaries to work for their interests, and then have the Press to point them

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out as successful, self-made men, as examples of what brains and work will accomplish in our great free country, creating the false impression that like opportunities are open to every aspiring American youth who has the ability to succeed and the willingness to work. Nothing is further from the truth. The fact is that they only give to a comparatively few these exceptional salaries and opportunities, and because they can use them in two ways; one of which is faithful service to their interests; and the other, examples to the public of the benevolence of capital in rewarding industry and talent. The public is successfully duped by it; each man thinks that these grand opportunities are open to his son if he will only take advantage of them, and most likely attributes his own failure to do so to bad luck, and not to any fault in the system. The corporations have only a limited number of these positions to fill, and when they are filled, the rest of the young men are hopelessly and mercilessly shut out.

If any remedial legislation is attempted, the corporations cut down wages, force laborers into idleness, and bring about hard times—which they have the power easily to do—and a hungry, suffering people soon cry enough. Every attempt of the people at public ownership of public utilities is denounced and discredited, while their own system of robbery is praised and bolstered up by every sophistical argument which dishonest cunning and perfidy can invent. They are perfectly aware of the weakness of their position; therefore, they adopt every means, and employ every effort and agency to keep the people blinded and in ignorance of their own interests.

When a small boy, in the country, my father's house was distant a half-mile from my grandfather's. About half-way between the two houses was a strip of dense woodland. The tall, branching, white-oak trees shut

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out the sunlight, and made a sombre shade, even at mid-day. The path to grandfather's led through that wood. Sometimes, late of afternoons, mother would want me to run down to grandfather's on some errand. She would often ask me if I were afraid, when I would assure her that I was not in the least bit afraid. When I would come to that woodland where the path led into the dark shadows, and I could hear the chirp of the wood-crickets and the katydids, and the occasional screech of an owl or the call of a whip-poorwill, I could feel the quickened beating of my heart, and my cap would seem to set without any weight on my head; but I would begin bravely to whistle. I thought I was whistling because I was brave; but I know now it was because I was scared half to death. In like manner, the vaunting boasts which corporations make of their falsely termed "Vested rights," and the great good to the country of their invested capital, is only their whistling through the woods; because they know the untenableness of their position when once the people become enlightened to the facts.

In Atlanta, Ga., the people have a municipally owned water plant. Not long since, Atlanta had a big fire that destroyed some valuable property. The two daily newspapers of the neighboring city of Chattanooga, Tenn., where we have a water plant owned by a private company, exaggerated the loss in bold headlines, and attributed the failure of the Atlanta fire company to extinguish the fire to low water pressure, due to the necessary poor management of a municipally owned water plant. It so happened that Chattanooga had a big fire only about two weeks afterward, and the water gave out entirely. The whole city was without water for several hours. The same papers, in writing it up, minimized the loss, and

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treated the failure of the water as a trivial matter, due to some minor defect in the main, which our excellent water company would hasten to repair. Thus the subsidized Press is ready on occasion to champion and defend corporations, and to discredit every effort made by the people to own or control public utilities, or to protect their own interests; especially are their batteries leveled against Government, or public ownership.

The corporations are so strongly intrenched in political power that it is extremely doubtful that they will ever be dislodged without resort to radical measures.

No other nation in the history of the world had such a wonderfully rapid growth and development as ours, and none so soon discovered the elements of decay.

Centralization of wealth in the hands of a few caused the destruction of the Roman Republic, and other nations; but in no nation was it so rapid as in the United States. If our present system is permitted to continue, a few individuals, constituting the monied aristocracy, will soon own all the wealth; the masses will be completely impoverished and hopelessly doomed to the slavery of unrewarded toil; productive energies will suffer atrophy for lack of just compensation, and national dissolution will inevitably result.

Such was not the intent of the founders of our Government. Founding it on a representative, federal plan, it was intended to be a partnership, in which each and every citizen should enjoy equal benefits and equal rights; but private greed, supported by corporate power, has annulled the partnership by appropriating all the benefits to themselves. They talk about the "Vested right of capital," but never mention

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the rights which Justice vests in the honest toiler. Money has no rights apart from the individual. Moral responsibilities attach to intelligent, accountable beings alone. The attention of the people needs to be diverted from the dollar to the man. When you get down to the real ethics of the matter, who better deserves to own this country and enjoy the benefits of production than those who, by honest labor, produce its wealth?

The only worthy aim of government is the impartial betterment of the individual lives of its citizens; and this can only be attained by all working together to secure the Common Good. Without coöperation, there is no material or moral advantage in the associated, or civilized state. If there are no individual benefits to be derived, there is, likewise, no incentive to coöperation. What love can a people have for a government which denies to them its chief benefits? And what incentive can they have to support such a government? Coöperation and aggression cannot exist together. Coöperation demands both individual and collective benefits, and these must be equal in degree, if not in kind, made so by voluntary agreement as to the value of different products produced by different kinds of labor and skill.

Each of the two great political parties in this country have enunciated in their platforms that corporations must be controlled; but they differ as to how this can, or should be, done. Both parties are agreed that corporations are a development of modern business conditions and requirements, and that they have a necessary existence; which is all true, if it were not so that the Government could take their places, and manage these colossal enterprises and public industries in the interest of the commonwealth.

Our Government will not justify its existence till it

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redeems its promise made in the Constitution of "Equal right to all," by restoring to the people what was wrongfully taken away from them, and reëstablishing the principles of equity and justice. This cannot be done till every kind of combination is broken up and its future existence rendered impossible.

We have in every city a "Retail Grocers' Association." They meet every week and agree what they will pay the farmer and the gardener for their produce, and what prices they will sell the same to their customers. The "Merchants' Association" does the same thing; and likewise, "The Manufacturers' Association." Together with these, we have the various "Builders' Associations," the many labor organizations, and the people are at the mercy of all of them.

It has long been the practice of mining companies, and some other large corporations, where they can, to run commissaries, enabling them to rob their laborers of their wages by charging them extortionate prices for food and clothing. If the National Government owned the railroads, the telegraph and telephone lines, and the coal, iron, silver, and gold mines; and the States owned the large timber tracts and unsettled lands as a public domain to hold for the conservation of the forests and the benefit of home-builders; and the municipalities owned the street car lines, the water, gas, and electric plants; then they should imitate the corporations in the commissary business to an extent sufficient to prevent extortion and monopoly.

If each State would establish supply stores at convenient points for distribution, the municipalities could purchase from the State's stores, and sell to the people; that would effectually destroy the monopoly of the "Retail Grocers' Association." The States, and the municipalities, should own the large factories and manufacturing plants so as to prevent monopoly and

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render needless the "Manufacturers' Association." "The Merchants' Association" would then have no further reason for existence, and, with our system of money corrected, the law of supply and demand would govern prices. The National Government, the States, and the municipalities owning all the public utilities, and employing all the public labor, there would no longer be any labor organizations, or need for any; and then, while encouraging home-owning and home-building, they should have in every city a sufficient number of comfortable residences for their employees to live in at fair rentals, so as to keep down rentals within reasonable limits. The expenses of government would then fall equally on all. Under the present system, the chief burden of governmental expenses falls on the poor. The laborer and the producer pays the expenses of government in the final analysis. If the values of property are increased, and taxes are raised, the laborer pays for it either in higher rentals or lower wages; or if rentals are not raised, nor wages reduced, he is made to pay for it in the enhanced cost of living. Corporations have it in their power to make prices on commodities almost whatever they please. Under Government ownership and control these onerous conditions could not exist. But, you ask, how are we going to get public ownership? Where is the money to come from to buy these things, for their estimated, aggregate worth is inconceivably large? Pray do not be shocked by the proposition we are going to submit until after you have given it thoughtful, unprejudiced study. The following is our plan:

The National Government should, by Act of Congress, confiscate to the Government's ownership, the railroads, telegraph and telephone lines, the coal, iron, gold and silver mines, and that part of the public

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domain which they unjustly secured; but should pay to each stockholder the amount of his stock, if his stock, together with the value of his other possessions, is less than \$500,000. The States should require that each individual fortune in property, or in money or stocks and bonds, or in corporations not mentioned above, in excess of \$500,000, be paid into the State's treasury, to be used in paying to other individuals the worth of their stock in local corporations who had less than \$500,000. Municipal utilities should be turned over to the ownership and control of municipalities; but every other public utility which is more than local in its character, and not interstate, should be owned and controlled by the State.

Every individual fortune in excess of \$500,000 should go to the National Government, in the case of interstate corporations; to the States in the case of local corporations and private possessions. You may be horrified at this suggestion, and call it confiscation; but we term it returning to the States and the Government for the benefit of the whole people what was unjustly taken away from them.

No man in a lifetime, no matter what his abilities, can honestly earn more than \$500,000; and no man has need of more than that to gratify every want essential to his comfort and happiness; if he has in excess of that sum, the surplus should go to the State for the Common Good.*

We are opposed to *giving* anything to any man, provided he is able to work; imbeciles and invalids

*For the encouragement of industry and thrift, the honest acquisition of property by individuals, and the inviolable right to own and use it, must be left free up to the limit demanded by the social welfare, which I have proposed should be \$500,000. Hopeless poverty is the greatest of all discouragements under the present system.

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should have every necessary want and comfort supplied. If a man is able to work, let him earn what he gets; but pay him the full value of his services. Men might in this learn a lesson from the bees: if drones will not work, drive them out of the hive.

The millions which would go back to the Government and the States from individual fortunes above \$500,000 would furnish a sum sufficient to liquidate the Nation's bonded debt, would buy every railroad, every telegraph and telephone line, every mine, every public utility. Then great private corporations could no longer exist. The National Government, the States, and municipalities, would employ all public labor and there would be no more strikes, no more panics. A small revenue from public utilities would easily pay all the expenses of Government, and there would no longer exist excuse or need for the robber tariff on imports.

Our interchange of commodities with other nations would be based on equity.

The people would get a public service many times cheaper than at present, and would at the same time be completely relieved from the burden of taxation; labor would secure constant employment at living wages, and "hard times" would be a thing of the past.

In reducing individual fortunes to \$500,000, we would not take into estimate the costly mansions of millionaires. True, every million dollars put into a mansion meant a thousand hovels for the poor; but now that they have been built at this great economic waste, they afford a shelter, which is no more than a two-thousand-dollar house will do; so we would leave them their mansions for homes without making any valuation of them, and let them stand as monuments of the age of monopoly and greed.

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One argument offered against Government ownership is, "That the public service would be dominated by a one-man power through political patronage." We admit that there is more force in this contention than in any other presented by the corporation side; but that danger could be entirely obviated by the adoption of comprehensive Civil Service regulations to meet the new conditions, taking the public service entirely out of politics, and operating it strictly on business principles. It is no argument at all to say that this cannot be done, because *it can be done.*

That part of our Postal Service which is strictly under Civil Service regulations, viz., "the Railway Mail Service," is completely divorced from the domination of politics. The several thousand of men who are employed in it, vote in the elections, but further than that they have no political influence. The entire Public service should be on the same basis. Civil Service Commissioners should be elected every four years by the people, and they should have full delegated authority over the Public Service in the appointment and dismissal of employees; and Superintendents should be elected by the people to supervise all public works, as well as for the separate departments of the Public Service. The appointing powers of the President and the Governors of States should be restricted to purely executive departments of Government.

Now, how are the people to secure these reforms? The necessity for concertoion of effort is the first consideration; and that cannot be had unless the people nominate and elect only such representatives as are in full sympathy with public ownership, and their interests as against those of corporations. The corporations scheme through political bosses and party machines to get their own candidates nominated. If

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they succeed, thus defeating the choice of the people, they have gained their point, and the people had as well not vote in the general elections, which have become little more than a necessary legal endorsement to the action of party leaders. The corporations have no party convictions. In the nominations of candidates by the several parties, if they can control them so as to have only men friendly to their interests nominated, the will of the people is defeated before any election is held, no matter which party wins. The political boss is the product of the corporations—their hireling; and the men usually nominated and elected to office are the servants of their bosses, and the pliant tools of the corporations. A universal sentiment exists that we must purify politics by getting rid of the political boss, and compulsory primary election laws have been suggested as the means to secure that desired purpose. Several of the States have enacted such laws. Whenever tried, they appear to meet with public favor, and to partially secure the end desired; but it has already been demonstrated that the "boss" gets in his work in the primaries just as he formerly did in the party conventions, though not quite so successfully. Primary elections have not been tried long enough to make a full test of their efficiency; but we are convinced that a better plan would be to do away with party nominations altogether, either by conventions or primaries, and leave the general elections an open field for all aspirants. Each one aspiring to office could announce his own candidacy, and present his policies and claims to the public in the ablest manner his abilities would allow; but the use of money, or the promise of official preferments or emoluments to influence voters should be punishable with disfranchisement for life and the ineligibility ever afterward to hold or fill any elective office of profit or trust. The

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tickets used in the elections should be printed in blank form, and each voter required to fill them out in his own hand-writing, by writing in the proper spaces the names of the men of his choice, no matter whether they be the names of any of the self-announced candidates or not. Those receiving the largest plurality of votes should be declared elected. Any man elected to public office should be required to serve on penalty of disfranchisement, unless he can show good reason for not serving. Intelligence and character should be made the qualification for the voting franchise. Ability to fill out his own ticket would be a sufficient test of the one, and the testimony of his neighbors of the other. An ignoramus is not qualified to vote, and a bad citizen should not be allowed to vote. Proof of the acceptance of any bribe or gift by the voter should be punishable with disfranchisement for life.

Perhaps you say our plan would not do because it would destroy all party organization.

The bases of political parties are certain, particular views on the policies of government and those things would continue to exist the same as they do now; but it would break up political machines, and that is just what is wanted. Political machines are the creatures and the allies of corporations, and are just as inimical to democratic government. Combinations are what we are seeking to destroy. To secure these reforms, and to make them permanent, we must build on a solid foundation by having them embodied in the Federal Constitution and in the constitutions of the States. We will here mention three amendments to the Federal Constitution which should be made:

i. Denying to the Supreme Court of the United States the right to pass on the constitutionality of Acts passed by the National Congress.

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2. The election of United States Senators by popular vote.

3. Limiting individual fortunes to \$500,000.

Then will the way be cleared for public ownership of public utilities. In the near future it is going to be the paramount issue. It is going to be demanded by an intelligent and long-suffering people. "There will be wailing and gnashing of teeth" among the corporation vampires; but in the end we will have Public Ownership of Public Utilities with its attendant blessings to the Commonwealth.

One of the most important questions affecting the public interest is the future use of water power, and the conservation of our rivers and mountain streams by which it will be supplied. The people have not yet awakened to its immense importance. About the first time this question was brought to public attention was when President Roosevelt vetoed "the Rainy River dam bill," passed by the Sixtieth Congress. In that session of the Congress more than forty bills for such privileges were introduced, and had it not been for the stand taken against them by President Roosevelt, they would have passed without opposition. Under our present system of elections, the men whom we elect to represent us in the Lower House of the Congress, are as much the tools of the corporations as the United States Senators, and will be as long as we have "boss rule" and "machine politics." While it has been dead easy for the corporations, or their dummies, to secure franchises for water-power dams, the few independent individuals, who had no connection with the corporations, when they applied for similar privileges were turned down. That is how much love the average congressman has for the "dear people."

The Westinghouse and the General Electric, and

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other smaller corporations, already control more than half the water power in the country. The smaller corporations are said to be subsidiaries of the two great companies, whose connection with the Steel Trust and Standard Oil can be easily proved.

The riparian rights of unnavigable streams include the water, and are vested in the public. The same is true of navigable streams, except with them riparian rights are restricted by the superior claims of navigation which belong to the control of the general Government.

In the case of unnavigable streams, the corporations have obtained the shore rights by the purchase of the land, and secured franchises from the States. In the case of navigable streams, they have likewise purchased the riparian rights, secured State franchises, and, in addition, privileges from the Government to secure them against the rights of navigation.

They first secretly sent out skilled men to locate the best places; to measure the volume of water and the fall; the amount of rainfall, and the variableness between wet and dry seasons. They have done these things as clandestinely as possible, at the same time exhibiting a haste which shows that they are afraid that the people will wake up to what they are doing, and they aim to fasten on it by securing franchises in advance. If they succeed, it will be too late for the people except by a revolution in government.

Public ownership is what is demanded, and the corporations should be at once divested of what they have wrongfully obtained; but this cannot be done without first making the Legislative branch of government truly representative of the people's will, and restricting the Judiciary to the enforcement of law.

Fuel, both coal and wood, is rapidly growing scarcer and higher in price. The time is not very distant

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when coal, wood, and oil will be practically exhausted. Water power will have to take the place of steam in driving machinery. Electricity will take the place of wood, coal, and oil in heating and lighting. Those who live in the cities will have to depend on electricity to heat their houses and to cook their food. It will become the dependence of many farmers for heating, lighting and cooking. Trains on the railroads, the machinery in our mills and factories, will all be run by electricity; and it can only be produced by the consumption of coal or wood, or water power. Water power is the only practical force in nature left us when fuel is exhausted. The end of that is in sight; but water power is perdurable. The protection of the forests remaining, and the reforesting necessary for the conservation of our streams can only be accomplished by the National and State governments. The canalization of rivers in the interest of navigation, and the construction of reservoirs to save the water for use in the dry seasons, are also strictly public measures. When we give this question just a little study, its vast magnitude and importance become alarmingly apparent.

The corporations see this, and are laying their schemes far into the future. Where they could, they have secured perpetual franchises; and where they could not, have gotten franchises for 99 years, or as great a length of time as possible.

Their plea of "Vested rights" must not be allowed to avail them. It is a fundamental principle of Common Law that fraud vitiates and annuls any contract; and they secured these privileges through fraud. The right of public utilities, including ownership and control, are vested in the people alone, and cannot be taken away except by fraud. It is up to the people to own and control public utilities, or else be slaves.

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CHAPTER IV.

THE ADMINISTRATION OF LAW—THE JUDICIARY, “A THIEF OF JURISDICTION”

In a newspaper article, written more than two years ago, and published in “The Chattanooga Evening News,” we stated that the Judiciary had arrogated to itself powers of jurisdiction, especially in passing upon the constitutionality of law, never contemplated by the framers of the Federal Constitution. It was another case of sowing the dragon’s teeth.

In the early part of this present year, a gentleman by the name of Griffith, at Pell City, Ala., wrote an article along the same line of thought as ours, which was published in “The Chattanooga Daily Times.”

We do not mean to accuse Mr. Griffith of “Stealing our clothes,” for we are only glad that others are thinking on this subject as we do.

Since the publication of our article, referred to above, we have studied the subject closely; with the result that we have modified our views in some particulars; but we are more fully convinced of the correctness of our position on the main points for which we contended.

We have a Government differently constructed to any which ever existed. It is composed of “Wheels within wheels.” The townships and counties composing each State have a local jurisdiction of their own. Then come the States, each with a separate written Constitution to suit itself, and each supposed

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to be completely sovereign in all purely State matters, having an independent jurisdiction based on its written Constitution. Next is the Federal Constitution, binding the States into one indissoluble Union, and defining the powers granted to the Central Government.

The American people are great for written constitutions. They must have a constitution for almost everything. If it is only a small country "Debating Society," they must have for it a written constitution as long, and as elaborately worded, as the Federal Constitution itself.

In making a Constitution for a National or State government, if the attempt is made to make it cover more than definitely fixed and fundamental principles, they make a hide-bound instrument that cannot be adapted to changing and progressive conditions; and for that reason, it may become a hindrance to necessary reforms, and a detriment to the public welfare.

England has no written Constitution. She has a Constitution, but it is unwritten, and has been slowly formed by agreement and precedent. As new questions of national importance arose, there was no written Constitution to hinder their settlement; and they have all been settled by the enlightened intelligence of the English people, as represented in Parliament, in such a manner as to meet the needs of an advancing civilization. Thus the English Constitution has grown up with the nation. The intelligence and moral conscience of the English people is the soil in which it is planted, and where it lives stronger and more enduring than her century-defying oaks.

Parliament makes all the laws; for in England there is no other law-making authority. Her courts have never passed upon the constitutionality of any act of Parliament; and the Crown has not vetoed a

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measure of Parliament in more than one hundred and sixty years. The English courts properly confine their jurisdiction to the interpretation and application of law in the trial of suits in court.

If a law is found to work to the detriment of the public welfare, the people soon find it out, and demand of Parliament its alteration or repeal.

All legislation is properly originated by the people, and the alteration or annulment of any law should also rest with them.

It is an error to suppose that because Parliament passes all laws in England, the English people have no voice in local government; for they have, and quite as much as they have here in the United States; and when the English people influence Parliament to pass a law needed for the public welfare, there is no danger of the courts annulling it by declaring it unconstitutional.

In no other government except the United States do the courts pass upon the constitutionality of law.

The people of the United States have been taught to believe that the right of the Judiciary to pass upon the constitutionality of law is the mainstay, bulwark, and defence of their Civil Liberties; instead, they are soon to wake up to the startling fact that herein lies the chief menace of free institutions and common rights.

Thomas Jefferson was within the limits of truth when he called the Supreme Court of the United States "A thief of jurisdiction."

The Supreme Court of the United States was created by the Federal Constitution to interpret and apply the laws passed by the Congress, not to pass upon their constitutionality. It was created to be a coördinate branch of the Government; but it has arrogated

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to itself powers until it has acquired a complete dominancy over the other two branches.

President Roosevelt has frequently referred to the Congress as "The coördinate branch"; but he has too much sense and honor to ever refer to the Supreme Court as a coördinate department; for he knows that the chief authority of our Government is allowed to the black-gowned gentlemen of the Supreme Court.

You may talk about the autocratic government of Russia; but the Czar of all the Russias has not the power of the United States Supreme Court.

No Act of Congress can, in fact, become a law until they say so; and by the process of injunction, they can call out the strength of the military to enforce their restraining orders.

It has been one hundred and twenty years since our Federal Government was firmly established by the ratification of the Federal Constitution. When it was submitted to the thirteen original States, there was strong opposition on the part of many to certain provisions, which they claimed gave too much power to the Congress and to the Executive; but no objection was made to the jurisdiction granted to the Supreme Court; for the reason, that in the Constitution, there is neither mention nor suggestion of the Court's right to pass upon the constitutionality of law.

Eleven of the thirteen States ratified the Constitution by small majorities, showing the almost equal strength of the opposition. Virginia inserted the proviso that she retained the right to withdraw from the Union if the Central Government became oppressive; and New York refused to ratify it till assured by Alexander Hamilton that the military could not be used to coerce the States.

The claim is commonly made that the right of the

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Supreme Court to pass upon the constitutionality of law is inherent in the Court. We will agree, that in its appellate jurisdiction, in cases going up to it from the States, on questions at issue between two States, or of a citizen of one State against another State, the right of the Supreme Court to pass upon the constitutionality of laws enacted by State legislatures, where questions clearly affecting the "Bill of Rights" are involved, is implied by the very nature of the Federal Constitution, and necessary to governmental homogeneity and national unity; but the branches of the Central Government, the Congress, the President, and the Supreme Court, were declared to be coördinate, which means equal. If either branch usurps the power to annul the acts done by either of the others within their constitutionally prescribed prerogatives, they are then no longer coördinate; and the spirit and the intention of the Constitution is violated. The contention that the United States Supreme Court has the right to annul an Act of the Congress by declaring it unconstitutional, is illogical; and was never contemplated by the framers of the Constitution, nor by the citizens of the States by whom it was first ratified. That which creates should alone have the power to destroy. The Congress is the only body which can make laws for the Nation, and it alone should have the right to unmake them. The making of national laws is a constitutionally granted power to the Congress.

Clause 18 of Section viii, "Powers granted to Congress," reads, "To make all laws which shall be necessary and proper for the carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or any department, or officer thereof."

No one can study the Federal Constitution with an unprejudiced mind without being convinced that it was the intention of those who framed it to give to

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the Congress the most ample powers of the three branches of Government. The Executive is second in importance; and the Supreme Court is the last and least in authority. That is as it should be. The Congress, which is composed of the chosen representatives of the people, should have the largest powers; because it is closest to the people, and directly representative of their will. The Judicial Department, composed of men appointed by the Executive, instead of being elected by the people—for a term of office “during good behavior” (which is now, without valid reason, construed to mean for life), is the furthest removed from the people, and should, therefore, possess the least power; but instead of this being true, it has usurped, and holds, the place of supreme authority in the Government, less restricted than was the imperial will of the Caesars.

There has been a steady and persistent purpose on the part of plutocracy and corporate interests to abridge the powers of the Congress and the Executive, and to amplify those of the Judiciary. In doing this, they have been careful to manufacture a public sentiment in advance to support them in their exaltations of the functions of the courts.

We have but lately learned that when there is a Judge to be appointed or elected, that the corporations put forth stronger efforts to get a Judge favorable to their interests than for any other officer; but they do it in such a covert way as to deceive the public. The first of this present year, death made a vacancy in the Supreme Court of the State of Tennessee. Pending the time of the regular election, the place was to be filled by gubernatorial appointment. There were a number of applicants who brought to bear on the Governor the strength of all the endorsements they could secure. The people knew this in a

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way; but they did not know that the railroad companies sent out men secretly to buy up the newspapers in support of their candidate, and to make such political deals with politicians as they could for the same purpose. During the time, we stepped into the editorial office of one of our papers one day, and as we entered, the editor remarked, "The gentleman, who just went out as you came in, was a railroad representative, who was here to see us about supporting their candidate for Judge." The editor may accuse us of violating confidence; but the confidence of the people is violated when these things are kept from them by those who pretend to serve them. We will observe, in passing, that the railroad candidate received the appointment.

There was a vacancy made by death in the United States District Court here this summer; among the candidates who pressed their claims on the President for appointment, was one lawyer, who went from this city to Washington with a delegation accompanying him, who represented to the President that the gentleman's chief claim for the appointment was that he was not a corporation lawyer; this, when we knew back here at home, that he had been in the legal service of corporations for years.

One of the leading ministers of this city told us that he happened one day to go on the cars to the top of Lookout Mountain in company with a certain United States Judge. He said when the conductor came along to take up the fares, the honorable Judge took out of his pocket a "complimentary pass." We could relate many similar incidents. First, by aid given them in their appointment or election; afterward, by complimentary passes over railroads, and other things unknown to the public, the judges are put under obligation to corporations. To accept a

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free pass, or any like favor, is to accept a bribe; for more or less of an obligation is imposed by the acceptance of any gift.

What can the people accomplish through the Congress, or the State legislatures in the way of remedial or reform legislation, or what can the Executive do in the execution and enforcement of such laws, when confronted by a Court of arrogated powers, controlled by corporate interests, in opposition?

The Congress could have prevented the Judiciary from assuming unconstitutional authority; and it is clearly within the constitutional powers of the Congress to regulate the Courts, and to divest them of their arrogated claims. The superior powers of the Congress, and the restricted jurisdiction of the Courts, are unequivocally set forth in the Constitution. The province of the United States courts is to adjudicate questions of international law, and to make trial by jury of crimes committed against the Government according to the Acts of Congress and the Constitution of the United States.

We find, in

Clause 2, Section 11, of Article III, (Judicial Department of the Constitution) these words: "In all other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make."

In Clause 3 of the same Section and Article, we find this:

"The trial of all crimes, except in cases of impeachment, shall be by jury. And such trial shall be held in the State where the said crimes shall have been committed; but when not committed within any State, the trial shall be at such place or places as the Congress may by law have directed."

So we see that the Supreme Court is not granted by the Constitution the right or the power to make or unmake the laws for the Nation.

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A constant effort has all along been made to remove government as far as possible from the control of the people. The representatives of great individual and corporate wealth know that the Judiciary is further removed from popular control than either of the other branches of government. It is their purpose and constant endeavor to increase the powers of the Judiciary, and to diminish the powers of the Legislative and Executive; and all the while they are doing this, they try to fool the people by crying "the sacred authority of the Courts and the Constitution." They are great sticklers for the Constitution, if allowed to interpret it for themselves. If any one says anything in protest, he is at once set down as an anarchist or socialist, and a dangerous citizen; and they make a sham of holding up their hands in holy horror that any one should be so ignorant or so base as to criticise the courts. The subsidized Press, and the corporation speakers, are loud and eloquent in their defense of "the sacred authority of the courts"—particularly so in defending their arrogated right to pass upon the constitutionality of law—seldom failing to work in that old saw, "That the right of the courts to pass upon the constitutionality of law is the bulwark of the people's liberties, and necessary to the preservation of our free institutions." The sophistical force of this argument consists in the fact that every good citizen is agreed upon the necessity of upholding the courts in the enforcement of law and order, that the people may be left to the peaceful pursuits of happiness, protected in life and in their honest possessions from injustice or any form of unlawful aggression; but the right to pass upon the constitutionality of law is not essential thereto. While the Supreme Court is allowed to retain that arrogated jurisdiction, it is not a coördinate branch of the Gov-

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ernment; but is, instead, the supreme dominating power. If the Court was truly representative of all the people—in corrupt and incorruptible—it might with safety be entrusted with this great power; but to do so, even then, it would still be illogical; for if the Court was truly representative, as is the Executive and the Lower House of Congress, it would favor the enforcement of laws desired by the people and enacted for the public welfare, and would be willing that the people themselves should test their constitutionality on that principle. The Federal Constitution was itself based upon the public welfare; and every law which conserves the Common Good is, from that fact alone, constitutional; and who can better judge of that than the people by making an actual, practical test of the law by having it impartially enforced? The Public Welfare is the basis of the Constitution. It is, therefore, the only correct test of constitutionality, and that test cannot otherwise be made except by the people.

There is an old saying that "The best way to kill a bad law is to enforce it." If any law passed by the Congress was found to be detrimental to the Public Welfare after having been impartially enforced, the people would soon discover the fact, and would demand of the Congress its alteration or repeal. As it is, the arrogant Court falsely applies the technicalities of construction as the test of constitutionality, and the people are not permitted to try their own laws by the Public Welfare standard. The Court says, in effect, to the people, "You don't know what you want, or what is good for you to have. We are your constitutionally appointed guardian, and will only let you have such laws as we think are best."

The Congress, which should be the people's champion, like Sampson of old, slept while it was shorn

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of its power. The corporate interests have discovered some kind of a powerful potion which puts the Congress into a condition of soporific somnolency. If it is pricked into a semblance of activity by the pressure of public sentiment, and forced to pass some law demanded by the people, you behold the humiliating spectacle of the National Congress trifling in uncertainty with great measures which are demanded by justice, decency, the public morals, and the Public Welfare, and splitting hairs on trumped-up, constitutional technicalities. When they have finally framed some measure for enactment couched in ambiguous phraseology, every essential feature crippled or nullified by inserted provisions and amendments, they tack a "Court Review Clause" to the tail of it, and pass it with the old name of "An Act of Congress"; but just as soon as the executive authorities attempt to enforce it as a law, some corporation carries it up to the Supreme Court, which promptly declares it to be unconstitutional on a technical interpretation of some clause, as it was expected by the Congress that it would do. You must be very careful to use the word *up* when speaking of the United States Supreme Court; for it is extremely jealous of its authority, and desires it to be distinctly understood that it is immeasurably elevated above every other department of the Government. And, about that "Court Review Clause"—that was not thought of until after more than one hundred years. It was a trick of the corporations to bring about the complete surrender of the Congress to the Supreme Court; and they succeeded. The people wondered at this new innovation, but made no effective protest. As the matter now stands, if the people are successful in getting passed any remedial legislation looking to the restraint of corporate aggression, either in the National

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Congress or the State legislatures, as soon as brought before the courts they are declared unconstitutional. If an Act in the least interferes with corporate interests, it is declared to be an infringement on "vested rights"; or, that it is "confiscatory," and therefore unconstitutional. We believe in the protection of *vested rights*, but we do not endorse the defense of *vested wrongs*; and we do not term that confiscation which returns to its rightful owners what was unjustly taken away. Under our present system of brow-beating monopoly: "The *vested wrongs*" of today become the "*vested rights* of tomorrow"; and the people will never obtain relief until the Federal Constitution is amended by denying to the Supreme Court the right to annul Acts of Congress by declaring them unconstitutional.

Where are rights vested, if not in the people? The Public Welfare is paramount to any individual or corporate claim. The representatives of plutocracy and corporate wealth talk eloquently of "*property rights*." Property has no rights of its own apart from individuals. We need to consider less the *rights of property*, and to respect more the *rights of men*; and in considering the rights of men, we should include all the citizens of the Nation as one people, each and all equally entitled to the protection of law and the benefits of good government, irrespective of class distinctions.

Notwithstanding the strenuous denial, our courts are dominated by corporation influence; and the courts, in their arrogated jurisdiction, dominate the Government.

The States, in their several independently sovereign capacities, have what are called "State Supreme Courts"; and they, in imitation of the United States Supreme Court, claim the right to pass upon the con-

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stitutionality of laws enacted by the Legislatures of the States. In doing so, they arrogate to themselves the authority which alone belongs of right to the United States Supreme Court. As we have said before, the United States Supreme Court has the necessarily inherent authority to pass on the constitutionality of laws enacted by State Legislatures, wherever, and whenever, they are brought into question as affecting the common privileges of citizens in opposition to the plain provisions of the "Bill of Rights," as set forth in the Federal Constitution; because the State governments must, of necessity, be subordinate to the Federal Government in all matters affecting the national unity. Union cannot exist between antagonistic governments. For our Union to remain perpetual, the governments and laws of the States must be kept in harmony with the Constitution and laws of the Federal Government; and in that exists the necessity for the United States Supreme Court to have, in its appellate jurisdiction, the right to pass upon the constitutionality of State enactments, when properly brought before it for adjudication.

The summary of our argument is this: The so-called State Supreme Courts should be limited in their jurisdiction to the interpretation of State laws in the trial of causes appealed to them from the lower State courts; and from them, the litigants should always have the privilege to appeal to the United States Supreme Court; but the State Supreme Courts should not have the right to pass upon the constitutionality of Acts of the Legislatures; for that is clearly the proper province of the United States Supreme Court, which has the right to pass upon the constitutionality of laws enacted by State Legislatures, but none to pass upon the constitutionality of Acts of Congress. The Supreme Court of the United States

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should have all the jurisdiction which is clearly defined in the Federal Constitution, but no more. The right to pass upon the constitutionality of Acts of Congress is not mentioned in the Constitution, is illogical, opposed to progress, subversive of the Public Welfare, which is the end and aim of good government, and should be denied.

We are as much in favor of the integrity of the courts as any one; that is the very reason why we are opposed to their corruption; and what is likely to be more corrupting than the exercise of too much power?

We would not take from the courts a single legitimate right of jurisdiction; even their restraining powers in the issuing of Writs of Injunction should not be abridged, except that they should not issue till after a fair trial by jury. The Constitution says that "All trial shall be by jury," and that "The trial shall be held in the State where the crime was committed." The courts, in recent years, have frequently violated these plain constitutional provisions. There is no power to call them to account for it except the Congress, and this the cowardly, corporation controlled Congress has failed to do.

Public sentiment has forced both the great political parties to incorporate in their national platforms what is popularly termed "anti-injunction planks"; but the plank in each platform is prefaced with obsequious expressions of confidence in the purity and integrity of the courts, and a fulsome laudation of them as constituting the bulwark of our liberties.

No essential reform in the restraint of corporate greed will be, or can be effected until the United States Supreme Court is denied the right to pass upon the constitutionality of Acts of Congress.

The people used to have confidence in the courts;

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and in the early days of the Republic, before they came to be dominated by corporation influence, they deserved confidence.

The leaders of the old aristocracy, who adroitly got the tacit consent of the people that the United States Supreme Court should pass upon the constitutionality of law, employed for their purpose the sophistical plea that it would be the best safeguard to their liberties; while the real reason was that they feared to give too much power to the common people; (*the rabble*, as Alexander Hamilton termed them;) they were, nevertheless, honest men, and advocated what they thought was best for the Nation,—particularly the aristocratic part of the Nation. However, corporations did not then exist to any harmful extent, and justice ruled in our courts.

In the good old days, the sittings of the courts were occasions of great popular interest. The citizens for miles around would ride into Court to hear the law expounded by the Judge, and big lawyers at the Bar, and incidentally—to swap horses, meet old acquaintances, and form new ones. Each man, as he was liable to be called at any time to act as a juror, considered himself a part of the Court. We need a restoration of something like that now, a confidence in, and a respect for the courts, which the people had in those good old days; and to do this, the first thing necessary is to divest the courts of their arrogated powers, and confine their jurisdiction within constitutional limits. The next essential, is to restore to the Congress its constitutional prerogatives, and make it truly representative. It should be the supreme branch of the Government, and the all-powerful champion of the people in giving voice and authoritative expression to their will, from which no appeal could be taken except to the people themselves. It

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cannot, however, be made a perfectly representative body until the members of the Upper House are elected by popular vote;—but we will treat that subject in another place.

The Acts of Congress used to issue forth clothed with the dignity and authority of law. That dignity, and that authority, must be fully restored, and the will of the people made supreme.

CHAPTER V

STANDARD OIL AT THE BAR

We have just read in a daily paper that the United States Circuit Court of Appeals in Chicago, Ills., yesterday, July 22, 1908, reversed and remanded the case of the Government against the Standard Oil Company of Indiana, in which Judge Landis, in the United States District Court, had imposed a fine of \$29,240,000.

Judge Grosscup, of the United States Circuit Court of Appeals, delivered the decision, which was concurred in by his associate justices, Seaman and Baker. The headlines of the article read:

"\$29,000,000 Fine Killed. Decision is Strong for the Oil Company. Standard Oil People Make No Effort to Conceal Their Joy Over The Victory."

This celebrated case has attracted world-wide attention. The criminal before the Bar was the Standard Oil Company, the wealthiest and most powerful corporation in the United States,—perhaps, in the world; a corporation which has grown fabulously rich and masterful by sweeping all competitors from its path with a ruthless hand. By cunning manipulation, and the dishonest use of money, it acquired the control of banks, of stocks and bonds, of railroads, of

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the great commercial and manufacturing industries, whereby it has been enabled to dominate the business interests of the country, to compel the railroads to give it rebates and discriminating concessions in freight rates, and to drive every competing company in the oil-field out of business. In defiance of the law, it has violated every principle of industrial freedom and equity. By a highly perfected system of scientific robbery, which affects more or less every business and industry in the United States, it has built up a mighty pyramid of stolen millions, from the golden summit of which the sainted arch-manipulator, John D. Rockefeller, looks arrogantly down on the rest of his fellow-citizens. As a sop to the people, and for his own personal aggrandizement and exploitation, in the pose of a pious philanthropist, he occasionally gives a few hundred thousand to some college; but he usually sees to it that some pliant tool of his choice, like Chancellor _____ of _____ University, is placed at the head of it, to debauch public sentiment in the great centers of education.

Rockefeller boasted at the first that he would never have to pay the fine imposed by Judge Landis' Court. In the meantime, he has talked for publication to newspaper reporters, in church, in Sunday-school. From a close-mouthed man of business, changed into a garrulous old moralizer, prating to women and children, and giving pious counsel to young men. He offered his services to the Government to assist in restoring public confidence in the panic of last fall, after he had been the principal agent in causing it, and has courted public favor in various ways. He has many supporters and apologists. Corporation sycophants refer to him as "A great captain of industry." Those who a few hundred years ago were called "robber-chiefs," are now honorably titled

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"Captains of industry." They dine with kings, and hobnob with royalty.

The above, regarding the Standard Oil king, was written in 1908. It is now 1910. The recent action of that gentleman seems to demand a modification of our former opinions.

We wish it distinctly understood that it has been foreign to our purpose to attack the private life and character of any man. Our fight is not on individuals, but against the system that makes a thousand paupers to one millionaire.

Mr. Rockefeller and others look at these questions through their millions, or their self-interest on that side; we look at them through our poverty; they look at them from cool palmetto shades; we look at them from a brow perspiring with toil;—colored spectacles, which might bias our judgment as well as theirs.

The following are some of the things pointed to by talented defenders of the Standard Oil Company in its defense:

"That it is an American institution, dealing in an American product, employing mostly American labor, using equipment of American invention, and doing business on American principles; that it is the largest employer of labor in the world, pays the best wages,—even higher than the 'Union Scale,'—and has never had any strikes among its employees; that it is the largest exporter of American products, bringing into the United States from foreign countries two hundred fifty thousand dollars a day, which, it is claimed, immediately finds its way through all the channels of American trade; that it is organized on the American plan—on a scale and in a way that the competition of the world fades before it; that its success has turned on the selection of men and its

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service to the public; that the position of the Standard Oil Company in the commercial world is the result of competition—the commercial struggle for existence—the survival of the fittest; that the Standard Oil Company went into a free-for-all field, and won its way to fortune with the same tools and weapons that all its competitors had, asking no favors and giving none, according to the rules of the game; that it only did to its competitors what its competitors would have done to it if they could; that the Standard Oil Company is made up of the graduates of the University of Hard Knocks who began without capital, played the game according to American rules, and won because its managers had the foresight, patience, and skill, and that the men who went down before it, failed for lack of those American qualities—qualities taught in our schools, extolled in our books, sometimes preached from our pulpits—the qualities that have made Americans victors in every field of material achievement; that Standard Oil communities, wherever established, as Titusville, Oil City, Corry, Franklin, Olean, are prosperous and contented; that the Standard Oil Company meets its obligations, and never defaults on a pay roll; that it pays to its employees about as much as it keeps for itself; that it has cheapened the price of oil to the consumer.

"Furthermore, it is claimed by those who write in its defense, that the interference with private rights and the threatened confiscation of property, caused the panic of 1907, and that the same would occur again if the Standard Oil Company and other large corporations were interfered with; that business is necessarily a struggle for supremacy, a fight to the finish; that business is built on confidence, and when we destroy faith in our commercial fabric, we take

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the roofs from the homes of the poor, food from their children, and push them out naked to the pitiless storm."

Now, there is an element of truth in all of the above contention.

It is true that the Standard Oil Company deals in an American product, and that it employs mostly American labor. It is true that the Standard Oil Company's machinery and equipment is of American invention, but it is employed to cheapen labor and the cost of production for the sole profit of the owners.

The claim that the Standard Oil Company pays the highest wages of any other corporation is probably true. It is claimed that it pays its employees \$50,000,000 annually. That is a large sum, but the Standard Oil Company has 80,000 employees. Fifty million dollars divided by 80,000 gives \$625 as the average yearly wage to each employee. We cannot understand how its employees can be prosperous and contented on that amount when we know that, with the present high cost of living, a man with a family cannot live in comfort on less than about twice that sum. If they are contented, it shows with what little working people will be content.

The two hundred fifty thousand dollars a day brought into the United States from foreign countries is no inconsiderable help to trade, besides helping to keep the money balance on the American side; but the Standard Oil has no especial reason to boast that this sum at once enters the channels of trade, because the channels of trade must be kept in circulation else production would cease.

It is true that the standing of the Standard Oil Company in the commercial world is the result of competition; but, the survival of the *strongest* rather than of the *fittest*. It is the rule of "Every fellow

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for himself, and the devil take the hindmost." A doctrine applicable to the ages of barbarism, but one that should have no place among a civilized people. From the principles of moral equity and obligation we have coined the beautiful word humanity, and humanity demands a fairer and juster system.

The argument that the Standard Oil Company did to its competitors what they would have done to it is a sorry come off; any criminal could make that excuse with equal propriety.

That the Standard Oil Company's success is an exemplification of American principles is not only true, it is a national shame, and, that the cause for this lies in education is not a matter for pride, but for serious consideration with a view to a complete reformation.

Public service must be made the only road to fame and the nation's goal.

The boast that the Standard Oil Company makes about an equal division of its profits between itself and its employees is equivalent to saying that seven men keep as their supposedly just share as much as the 80,000 laborers who made it for them. While the laborers get \$625 apiece, the owners get \$6,000,-000 each. Does anyone think that is a just proportion and division?

The Standard Oil Company has made the claim in court that it has done everything in its power to cheapen the price of oil. In view of the enormous profits which it has made, let all who believe that hold up their hands. They must mean that the price of oil was reduced to the lowest limit at the oil wells; for the Standard Oil Company has never owned the oil wells, but, controlling transportation, it has forced the owners of the oil wells to take whatever price it was willing to give them. We will admit that

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the Standard Oil Company has cheapened the price of oil to the consumer; but that is a matter of little consequence in comparison with the high cost of living which it, together with other corporations, has helped to bring about, but the worst feature of the system is that the very millions which the people have paid to the Standard Oil Company hangs over them as a colossal debt on which they will year after year have to pay interest out of the fruits of their toil. Only the ignorance of the people has permitted such a system to be perpetuated. The illogical injustice and tragedy of it all makes us sick at heart.

The mere insistence on civic righteousness in 1907 was enough to bring on a panic. We have elsewhere fully explained this.

We know that the great corporations have the power to put labor out of employment, to reduce wages, to increase the cost of living, to take the roofs off the homes of the poor, and to deny bread to hungry women and children; we know that hunger makes men desperate—makes them criminals—the hungry mob has no regard for law and sets at naught constituted authority, as instance the Revolution in France; the police power has to be increased, and methods of the most rigorous repression adopted. Only the other day, in one of our large cities, men were shot down in the streets by the police as if they were mad dogs. As legalized oppression increases, the police power has to be correspondingly augmented.

That the mere insistence on civic righteousness in 1907 should bring on a panic shows how serious is our national condition. It is now impossible that any permanent reformation could be made without causing general and wide-spread suffering. Any party elected to power, in view of the inevitable panic and

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disaster among the masses for a time which would be sure to follow, would hesitate to make a change; besides, the farmer class, being the only class of laboring men who are getting any benefit from high prices, together with the cliental dependents of the corporations and the purchasable vote, will vote for the system.

Our national condition is like a person sick with some malady fatal unless cured by a surgical operation. Unless the operation is performed, the patient must die. And if the operation is made, the operation, itself, means excruciating pain and possible death.

The law-making power will have to be made a popular body in both branches, the judiciary restricted in jurisdiction to the interpretation of law and the simple trial of causes brought before it, the Executive and police power confined to the enforcement of law and order, and our money system changed before the present robber system can be made to surrender to a new system based on equity and equal rights. Even then, the reform cannot be made without causing suffering to the masses for a time. The question is, will the people ever be willing to endure a short period of deprivation in order to permanently secure their rights? When they will heroically submit to the destruction of their present selfish interests that they may free themselves from the slavery of the money lords, and leave to their children the blessings of a consummate freedom?

One fact about the Standard Oil Company stands out egregiously and appodictically, and that is that it has been operated in violation and defiance of law; therefore, every one connected with its responsible management is a criminal in the eyes of the law.

It has been given out that Mr. Rockefeller and his son have both retired from any business, or re-

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sponsible connection with the Standard Oil Company.

The latest, is a bill introduced in the United States Senate by Senator Gallinger, chartering a "Rockefeller Charitable Foundation," in which, it is understood, Mr. Rockefeller is going to place his millions for general charitable purposes, for education, for the uplift and good of mankind. Congress is to be represented in the directorate. That sounds alright, and we have no warrant to question Mr. Rockefeller's sincerity.

Mr. Rockefeller, Jr., is to be made the great almoner of his father's millions. What a lofty and enviable position! Like a demi-god, elevated on a throne of gold, he will dispense his gifts upon whom he wills to bestow them. The needy, the destitute, and the suffering will turn their expectant, supplicating eyes toward Mr. Rockefeller, Jr., and instead of addressing their prayers to Heaven, will obtuse the Rockefeller throne. The Government itself, under his protecting Aegis of gold, will look to him for help in times of panic and national distress.

The great almoner! The scheme challenges our admiration; but the American people do not need alms; what they need is an opportunity to work, and a just remuneration for their labor. We do not desire a nation of paupers, but a nation of independent producers. "That which makes or unmakes a nation is the quiet, peaceful, productive life of the people."

It is neither our desire nor our purpose to question the personal motives of Mr. Rockefeller. Certainly he has it in his power to do great things for his less fortunate fellowmen, and we will grant that such is his intention; but there is a possibility that he might be mistaken in his methods, and in error as to the real needs of society; and, since this is a matter of public concern, we have a right to investigate it and

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judge for ourselves whether the best interests of society are going to be conserved.

One purpose of the Rockefeller Foundation is, avowedly, to aid education. Mr. Rockefeller's donations to education in the past have been made to colleges and teachers, from which we infer that the same policy will be continued in the future,—a policy that will benefit but little the cause of common education among the masses, because only the children of the rich and the moderately well to do can afford to go to college; besides, if the teaching is to be controlled with a view to perpetuating the present economic system, a greater obstacle to progress could hardly be invented.

It has been proposed to pension aged teachers. It is more than probable that the only teachers pensioned would be teachers in the Rockefeller schools who taught economics to suit trusts and billionaires. We have not seen where anything has been said about pensioning aged workingmen who need it much more than college professors, because college professors now get handsome salaries, and could, if they would, lay up something against the forced inactivities of age; while it is practically impossible for workingmen to lay by anything out of the meager wages paid to them. The workingman can hope for nothing better than a charity hospital or the "Poor House," which the average poor man dreads next to death, because he knows that to go there means separation from every family tie and loving association.

There is nothing said about buying back the large tracts of land wrongfully seized from the public domain by syndicates and "land-grabbers," that they might be opened up to settlement by the poor with a chance to purchase them and build for themselves homes, at the same time encouraging increased pro-

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duction, which Mr. James H. Hill, and others, say is rapidly falling behind the increase of population. Agriculture is the foundation of our national fabric, and if it is undermined, the structure will fall.

We believe in education; but you must have a physical man before you can make him a moral and intellectual man.

Lighten the burden of the toiler, Mr. Rockefeller, before you educate him; for, if you educate him first, you will either make him a criminal, or render him more unhappy; because knowledge will give to him a painful sense of his almost hopeless environment.

The Caesars amused the Roman populace with feasts and games; the American people, by their money kings, are to be given colleges, libraries, and soup houses. Will they be satisfied with that?

Money given for medical and scientific research, for hospitals, for the relief of physical suffering, is in the highest degree commendable; but the other ills that make these things necessary are what we want to get at first. The largest per cent. of disease and suffering among the poor is due to overwork, to in-nutrition on account of the inferior quality and insufficient quantity of food, and to clothing inadequate to allow proper cleanliness or to protect them from the inclemencies of the seasons.

In our own personal knowledge, we know of a number of grand old American families, coming down from the sturdy yeomanry of the early days of the Republic, who are now as extinct as the palezoic age. They lost their freeholds, could not stand the pressure, and succumbed. We know of other families on the verge of extinction, whose names, in one or two more generations, will be only a memory. It is a strange fact, but these families belong mostly to the educated class of the poor. This partly explains

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the race suicide. Rather than bring children into the world to a heritage of poverty, toil, and misery, they have none.

It has been given out that in case of a financial panic, as in 1907, Mr. Rockefeller would again come to the relief of the Government by purchasing bonds, and other securities, so as to restore credit and confidence. It is a grand thing to pose as the savior of one's country. True, it is rather humiliating to have one citizen who is stronger than the Government; but when that citizen generously proposes to look after the tottering Government and help it over the hard places, he should be accorded the praises which are due.

In times of financial panic, when the prices of securities drop to the bottom, Mr. Rockefeller will be expected to buy them up. As soon as Mr. Rockefeller buys any kind of an old security it immediately becomes good, advances in price at once, and Mr. Rockefeller reaps the profit; he could thus make millions in a day, and still pose *as the savior of his country*.

As we understand it, the Rockefeller Charitable Corporation, under the proposed charter, will still leave Mr. Rockefeller in possession of his millions, and in practical control to spend them as he pleases; while, at the same time, it will exempt them from an Income, or Inheritance Tax. Mr. Rockefeller is wise enough to see what is coming in the future, and his purpose is to make provision against it in good time. Senator Root, and other leading men of the nation are advocating an Income Tax, which will probably come before the better thing of Public Ownership. An Income Tax, Inheritance Tax, National Supervision by legal methods, and other palliatives and ex-

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pedients will be first tried before Public Ownership of Public Utilities—the only perfect solution.

The Rockefeller Foundation, under the proposed charter, is to be a kind of governmental abditory for the safe-keeping of Mr. Rockefeller's millions, of which the United States Senate will be the warden, and the Judiciary the fortification.

But, going back to the point where we began this digression, the case against the Standard Oil Company which was first tried in the court of Judge Landis where the company was convicted and fined, then appealed to the court of Judge Grosscup where the decision of the lower court was reversed, there is no question in our mind as to the guilt of the Standard Oil Company; but the case was reversed and remanded on purely trumped up technical grounds.

The decision of Judge Grosscup is very interesting in its admirable sophistry. He charged that Judge Landis of the District Court erred in that he imposed a fine on the Standard Oil Company of Indiana, when the principal stockholders are members of the Standard Oil Company of New Jersey, who, he claimed, were not before the court; when every one knows it is one and the same company, in fact. If the trial had been brought against the New Jersey branch instead of against the Indiana branch, the very same argument could have been fallaciously used with equal reason. If Judge Grosscup's position in this should be maintained, it would be impossible to impose a fine on the Standard Oil Company in any State.

The corporations bought the State of New Jersey several years ago, and absolutely own and control it; for which reason they have established there the main heads of their organizations. Under the di-

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rection of the shrewdest lawyers that their money has been able to employ, they have established branch organizations in the other States, with slightly different titles, but all completely under the management of the parent organizations in New Jersey; the object being to evade the laws enacted for the control of corporations, and to make it as difficult as legal cunning can devise to successfully prosecute them in the courts.

Judge Grosscup further charges that Judge Landis, in his decision, "was influenced by popular clamor, and acted above the law." It is not Judge Landis who is above the law—in this case, it is the Standard Oil Company. And what about Judge Grosscup's reference to popular clamor as if it was a crime? If he were a candidate for some political office, he would, like the rest of them, acclaim that "The voice of the people is the voice of God"; but as a Judge, the voice of the people is to be *condemned*.

The position of Judge Grosscup is that it is criminal for a United States Judge to pay any heed to the demands of the people.

His further charge that the defendant Oil Company was refused the privilege to offer important testimony, is clearly disproved by the records of the lower court. But there is no use to discuss it further; for the decision was only what was to be expected. There is one startling fact brought out, however, which was not expected; and that is, that the Government cannot appeal from the decision to the United States Supreme Court, as there is no legal provision permitting it to do so! The following is the comment of the United States Attorney General, Charles J. Bonaparte:

"As yet I am not informed as to the ground of the

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decision, and until I am, I can have little to say about it. There is one feature of the case, however, to which public attention can be, and should be, called at once. A suit of such importance certainly ought to be submitted for final decision to the Supreme Court of the United States; but since the Court of Appeals has decided, that cannot now be done. There is no good reason of justice or public policy why there should not be an appeal from this decision by the United States. But the statutes permit none, although the Congress has been repeatedly urged by successive Attorneys General to enact a more comprehensive law permitting appeals by the Government in criminal cases. As I said in my last annual report, I think this gives an unreasonable and unfair advantage to the wealthy defendants in such cases, and I hope the defect in the law will be remedied at the next session of Congress."

My countrymen, what do you think of that? The Government powerless to appeal a criminal case to the United States Supreme Court!

We have been thinking all this time that that was what the Supreme Court was for; but it appears that the Circuit Court of Appeals is a kind of a side-pocket; and if a case gets into it, there is no chance for appeal.

President Roosevelt says, "The Standard Oil Company must be punished, and the prosecution will continue to be pressed." But what is the use? The Government has already spent over two hundred thousand dollars in this particular case; and if it spends a hundred thousand more, the result will still be failure.

It develops that the Government may, by making application to the Supreme Court of the United States for a writ of certiorari, get a hearing before

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that august and mighty tribunal; but it is entirely optional with the Supreme Court whether it issues the writ or not;—it is probable that it will not;—for the Circuit Court of Appeals, which is an unconstitutional innovation in our National Jurisprudence, was especially created for this very purpose, to stop such cases before they reach the United States Supreme Court, and thereby obviate the necessity for it to go on record in decisions affecting the criminal rich. It realizes the importance of preserving its dignity, and of making a show of lofty and impartial justice.

Why is it that the people cannot see the imperative need that the Congress should at once by statute clearly define the appellate jurisdiction of the United States Courts, and by constitutional amendment, divest them of the arrogated right to pass upon the constitutionality of Congressional Acts? The chief reason is that every agency which wealth can command is leagued against them. Newspapers, one of the principal factors in moulding public opinion and sentiment, abound with misrepresentations and sophistical arguments, which mislead the public mind; while ostensibly championing the cause of the people, they are in reality serving the corporations.

One editorial which we read, speaking of the Standard Oil Company trial, reads:

"The decision will help business, as it will restore confidence to capital, which will cause the re-employment of labor, and start up many industries which have been idle."

That this will be temporarily true, will appear a confirmation of the editorial statement. Just as corporations control the money, and the commercial and manufacturing industries of the country, and can bring about hard times when it suits them to do so; likewise, for the very same reasons, they can employ labor, start up industries, and bring on the so-called

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good times. In the panic of 1907, the mere insistence on civic and industrial righteousness was sufficient to induce them to shut down on labor, and stop enough of the industries of the country to partially paralyze business. The fact is, the corporations have got this country by the throat; and if they are in the least interfered with, they begin to squeeze; tightening their grip till the people cry "Enough!"

Another editorial read:

"There has been a wave of hysteria sweeping over the country caused by blatant demagogues attacking capitalistic interests; but now that the people see that it only brought on hard times, causing derangement of the business interests of the country, the decision of the Court in the Standard Oil Company case is reassuring; as it will cause the people to return to sanity in their attitude toward capital, and the demagogue will have to take a back seat."

Now, such talk as this sounds so plausible, and appears so fully corroborated by facts and experience, that it is not strange if the people are led to believe it. Doubtless many of the newspapers are ignorantly honest in such assertions; others are simply influenced by sycophantic servility to wealth; while still others are owned and controlled by the corporations outright.

In denouncing as demagogues and agitators those who have been contending for civic and industrial righteousness, and for obedience to law by the rich as well as the poor, is to denounce such men as President Roosevelt, Senator Lafollette, W. J. Bryan, and others, who represent the best thought and conscience of the Nation; yet many believe that the only way to have business prosperity is to let the corporations alone, and give, what they term encouragement to the investment of capital;—and, indeed, they are right about it, if the present system is going to be allowed to continue.

If the Congress of the United States is not going to restore complete autonomy to the people by the

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radical measures necessary to destroy plutocratic power, such as revision of the Constitution by amendments denying to the United States Supreme Court the right to pass upon the constitutionality of Acts of Congress, confining the jurisdiction of the courts within constitutional limits, and demanding public ownership and control of public utilities,—measures that would go down to the roots of the evils and uproot them;—if the corporations are still to have the money of the country, and are to be allowed to control its industries according to their own sweet pleasure, —why then the corporation Press is right; and it would be better for this generation to allow the present robber system to continue with the least disturbance; but it needs not a prophet to foretell that it means impoverishment, vassallage, and ruin to the generations soon to follow. It is like where a serious surgical operation is necessary to save a person's life; a thorough surgical operation is needed to save the life of our Republic. The cancerous, parasitical growths on the body politic must be cut out, the blood-sucking tentacles of corporations must be amputated, and the places where they grew cauterized to prevent their reappearance.

We will quote just one other editorial which we read, which is as follows:

"The decision of the United States Circuit Court of Appeals in the Standard Oil Company case evidences the fact that the courts are still the bulwark of our liberties."

According to this editorial, President Roosevelt, Senator La Follette, and others, whom the people have looked up to as champions of popular rights, able, honest, and patriotic, have been making a bold, piratical attack on their liberties, while pretending to be their friends; and all that saved them was that the onslaught was repulsed by the invincible bulwark of the courts.

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Does any one believe this? Of whose liberties has the Court been the bulwark in the Standard Oil case? Certainly not of the thousands of honest competitors whom the Standard Oil Company forced out of business and ruined; certainly not of the people, who are made to obey the law while the Standard Oil Company, and other large corporations, are permitted to override the law, and pile up dishonest millions at the expense of their impoverishment; nay, the courts are the bulwark of the corporations, entrenching them in impregnable power.

The United States Congress is, or should be, the bulwark of the people's liberties; and if they do not exercise their sovereignty through the Congress in defense of their common rights, they will soon have few liberties to defend.

The fine sought to be imposed on the Standard Oil Company by Judge Landis' court, considered simply as a punishment, may be excessive; but the reader already knows what we think about that. The Government should take possession of the whole business. You may call it confiscation, but we term it returning to the Government for the Common Good what in justice belongs to the people, and of which they have wrongfully been deprived.

The United States Congress was intended to be, and if we have a democratic government instead of a plutocracy, it must be, the Supreme Power in the Republic. The Congress can impeach the President, or any United States Judge;—it could impeach the whole Supreme Court; and that might be one of the things needed.

The Courts cannot be corrected and shorn of their arrogated powers till the rightful authority of the Congress is re-established and reasserted. Neither can be accomplished till the Congress is made a truly

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representative body in both branches; and in order to achieve this, the people will have to control the primary elections, and nominate for office only men who favor an amendment to the Federal Constitution requiring the election of United States senators by direct popular vote;—particularly should this be done in nominations for the State legislatures—demanding of them that they elect to the United States Senate only men who favor the amendment. When this is secured, then the people can successfully demand the other constitutional amendment denying to the United States Supreme Court the right to pass upon the constitutionality of Acts of Congress. When this last important and necessary reform is secured, if the Congress will impeach a few United States Judges for unjustly interpreting and applying the law, the Courts may be purified from the influence and corruption of corporate and monetary dominancy, and justice and equality before the law become an assured reality.

Administered by just, impartial minds,
Exempt from fear or favor, or designs
To Justice alien, Law would have the sway
That comes from the willingness to obey;
The weak would be defended, and the strong
Restrained; the Right would triumph have, the Wrong
Would never go unpunished, and the great
Stand equal with the humblest in the State;
The ermine of the judge would have no stain,
And Courts their rightful honor would regain.

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CHAPTER VI.

ELECTION OF UNITED STATES SENATORS BY POPULAR VOTE

In view of the general unanimity of concurrent opinion among the masses on this subject, discursive reasonings in its advocacy would be unnecessary were it not that there appears to be a failure to fully appreciate its great significance and importance.

There is no question but what a constitutional majority of the citizens of the United States are in favor of electing United States Senators by popular vote, and have been for years past. This being true, why is it that this reform has not been made? What party, what influences, and who are the individuals thwarting the will of the people in this matter, and what are their reasons for doing so?

Our Government is supposed to be a democratic government; that is, a government by the people; who rule, if at all, through the United States Congress. We have a democratic government only so long as the Congress is a representative body with power to make laws demanded by the people and to enforce their acceptance. Democracy, and unrestrained individualism, are antagonistic and incompatible. The two cannot exist together. Wherever individualism is unrestrained, the dominancy of powerful class-interests is the logical result, with their consequent aggression upon common rights. A strong, centralized governmental power is alone able to protect a democracy and prevent the natural tendency to plutocratic ascendancy.

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This statement appears paradoxical, but a little study will convince anyone of its truth. If the Congress were made a truly representative body, then the more comprehensive its powers the more secure would be the people's liberties, and the more complete would be their rule.

While a large majority of the people have long favored the election of United States Senators by popular vote, they have, as yet, been unable to effect that reform. The plutocratic opposition to them is thoroughly organized and concealed behind carefully constructed fortifications, while the people fail for lack of leadership and effective organization; each one, failing to see that he can accomplish anything independently by himself, tamely submits to conditions which appear inevitable, and waits for somebody else to do what, with more courage, he might do himself. There seems to be a feeling, or sentiment, among the people, that political and social evils are somehow providentially permitted; and they are disposed to rely on Providence to correct them; forgetting that "Providence helps those who first help themselves." There is, among the masses, a great lack of understanding and appreciation of political and social conditions. The average citizen fails to apprehend the full rights of his citizenship, and knows less of how those rights are to be preserved, defended, and maintained. Instead of studying these questions for himself and getting down to the philosophical reason of things, in the periodical political contests, he allows his judgment and his vote to be swayed either by partisan bias, the intimidation or coercion by plutocratic agencies who appeal to his cupidity or his fear of hunger and want, by his proximate selfish interests, or by the pleasing sophistries of office-seeking demagogues. Many, perhaps the majority, have no reason for their party

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alignments other than that their fathers were so-and-so. You hear some say, "I was born a democrat," or "I was born a republican," which, when you come to think about it, is devoid of reason or sense. A man may be born a fool, but he cannot be born with a knowledge of government, or of ethical social philosophy. Other pre-election influences are employed, called, "Applying the party whip." If a man changes his political affiliations, he is contemptuously termed a "turncoat," and the fear of a negative kind of ostracism holds many to their party alignments in opposition to their honest convictions and better judgments.

The corporations, having attained a position of wealth and power that enables them to defy the laws of Government, to dominate legislation, to control the industries and finances, and therefore labor and wages, influence many voters by flatteries, subsidies, and the tempting offers of position and authority; the great business interests of the country are coerced into their support by the threat of financial and business loss; and the mass of wage-earners are brought into line by the fear of enforced idleness and consequent want.

As we have before remarked, these threats of the corporations are not idly made. It is only too true that they have the power to execute every one of them. Therefore, the average business man or wage-earner, finding it to his proximate advantage to submit to the extortions of the capitalistic interests, votes as they tell him, regardless of the future.

The office-seeking demagogues, like skilled musicians, play upon all these strings to excite the prejudices and stir the passions of the populace.

A better education of the people on political and economic subjects, enabling them to proceed intelligently,

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gently in the re-establishment of a pure democracy by shunning the wiles of the demagogue and spurning the threats of corporate power, is the only way to destroy the evils which are undermining the very foundations of our Government; but how is this to be done? The Press would present the cheapest and most practical means; but the Press, influenced by subsidies and favors has, to a large degree, fallen victim to the general corruption, and can no longer be depended on to champion the vital interests of democratic government. Books are the most reliable medium for the dissemination of correct knowledge; but unfortunately, the best of them are beyond the ability of the masses to purchase.

A knowledge of history is the best aid to a correct understanding of present political and social conditions; particularly do we recommend a study of Roman history. Every intelligent citizen of the United States should carefully read and study the history of the Roman Republic, between which and our Republic there are so many points of similarity.

The idea of a Senate first originated in Rome under the rule of the kings about 800 B.C., or about three centuries before the Roman Republic was established.

The purpose in view for the creation of many things can best be learned by a study of the influences which induced their origin; therefore a knowledge of social conditions in Rome at the time the Senate was created is essential to an understanding of the forces which evolved it, and which it was intended to serve.

The first thing to be observed is, that at the beginning of the Roman Government under the rule of the kings, and for a very long time afterward, the aristocracy alone possessed any civil rights; the

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next is the reluctance with which they surrendered any of those rights, or shared them with others, and the means which they adopted to retain their hold upon the wealth of the country and the control of the Government; and we shall see that, from the first to the last, they called to their assistance the mighty power of the Senate.

In ancient Rome, the householders or home-owners were called patricians. They possessed all political, i. e., Burgess rights. All others were either clients, dependents, or slaves, who did not count for anything in the Government. The phrase, "The people," did not then mean what it does now. In fact, the meaning has been completely reversed. The patrician, or aristocratic class, called themselves the people; all others were nothing but plebs, or folk, who, at the first owned no property, and were given no political rights whatever. This condition obtained without interruption during the reigns of the kings.

The king was chosen from among the patricians, by them, and held his position for life. He wielded almost absolute power over his subjects. He consulted the national gods; he kept the keys to the public treasury; the power of life and death was in his hands as he was the supreme judge in all civil and criminal suits; he exalted whom he would, and degraded those who incurred his displeasure.

The Kings early learned how important it was to the maintenance of their rule to have religious sentiment moulded to agree with their governmental policies, and therefore religion was made subordinate to the State almost from the first. Thus the pagan priesthood was made the bulwark of kingly authority, and the chief support of the superior rights and privileges of the patricians; while at the same time they kept the plebs in a condition of subordination and sub-

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serviency by holding them in the thralldom of religious superstition; so when it happened that the privileges—(vested rights)—of the patricians were in any manner jeopardized, or when the kings became embarrassed by matters of religious or public law, for the moral effect which it produced in the minds of the commons, as well as the actual augmentation of their power, found it expedient to have about them a body of sacred experts.

In addition to the priesthood, they chose from among the most powerful and influential of the patricians a council of elders, who held their office for life. This was the beginning of the Roman Senate, from which, in later times, was derived the House of Lords in England, and in America, the Senate of the United States.

The Roman Senate, at the first, exercised little more than a moral influence in the Government; but as time went by, and the magnitude and importance of wars increased, from the fact that it represented the patrician class who alone were permitted to bear arms or go to war, the Senate gradually achieved an accession of power and a position of commanding influence in the Government.

As the powers of the Senate increased, the authority of the king decreased; and when at last it attained an ascendancy of influence, the priesthood swerved in their allegiance from the King to the Senate as the more powerful authority.

The patrician aristocracy, as headed by the Senate and supported by the priesthood, having become more powerful than the individual King, in the reign of "Tarquin the Proud," or about 509 B.C., abolished the Roman-Tuscan Dynasty, and established a so-called Republic, governed by Consuls instead of Kings.

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It is only fair to record that the Roman Republic, as at first established (if you leave out of consideration the plebs who had no voice in the Government), was a nearly ideal democracy as to the patricians, or ruling class; for they enjoyed perfect equality in the franchise and in political and social rights; and the Senate, from the first to the last preponderately a patrician body, zealously guarded those rights.

The administrative power of the Consuls was not less than that of the Kings had been; but as they were only elected for one year, they had but a limited time in which to abuse that power,—even if they were so disposed. In times of national peace, the Consuls exercised only administrative functions; but in times of war they practically assumed absolute authority. In times of national peace, the Senate was the law-making body, and therefore exercised a controlling influence.

The magistrates, or judges, who had been only honorary counselors to the Kings, in the Republic, under the rule of the Consuls and the Senate, became firmly established in the prerogative to interpret and execute the law. The magistracy, or judiciary, as we would term it, was from the first an aristocratic body, and so remained. The Senate was careful to preserve it an aristocratic body in the interest of the privileged, patrician class.

Rome was not the only nation in which the aristocracy controlled the courts; they have controlled the courts in every government; they are controlling the courts to a large degree in the United States to-day. If the Congress were in both branches a popular body, the people would control the courts through the Congress; but the United States Senate, as constituted, is not a popular body. The Lower House of the Congress has the constitutional power to impeach

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any United States judge, or federal officer; but the United States Senate is by the Constitution made the tribunal before which every impeachment must be tried; therefore the Senate, composed of millionaires, and partners in privileged interests, stands between the courts and the people, ready to thwart any attempt to break down the barriers that protect the privileged classes.

The early Roman requirement that the aristocracy had to do all the fighting in the wars, was more just, in that sense, than has been practiced by any other nation. Wars in other nations have been mostly "Rich men's quarrels and poor men's fights." The peasantry and yeomanry have sacrificed their lives on gory battlefields, drenched the earth with their blood, while the rich stood back at a safe distance,—ready though, like vultures, to follow after and seize upon the spoils of war.

As Rome increased her dominions, and came in conflict with more powerful tribes and nations, the patrician class could no longer do all the fighting; it therefore became imperative on the Senate to add to the military strength by drafts from the plebs. With the new military duties imposed on the plebs, the Senate was reluctantly forced to give them a small degree of civil rights as an incentive to allegiance and loyalty, by which a number of plebs came into the possession of property, and certain Burgess rights; and as their number increased, they acquired an ever increasing influence in the Government.

The reader will take notice that it was the wealth of certain plebs that gave them political influence, and that the long struggle between the patricians and the plebs, which had its beginning under the Kings and continued through the centuries of the Republic to its final dissolution, was mainly a struggle between

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the aristocracy of blood on the part of the patricians, and the aristocracy of wealth on the part of the rich plebs. The masses were little better off under one than the other; for, actuated by the basest cupidity, the rich plebs, in their inordinate desire for still greater wealth and increase of political power, quickly forgot the interests of the class from which they sprung. The rich plebs had their slaves and clients the same as the rich patricians, and they finally became one with the patricians in everything except the aristocracy of blood; and eventually that was broken down by the annulment of the long denied right of intermarriage. It is worth while to note that in all these changes, the Roman Senate remained substantially patrician, and an insurmountable barrier to the hopes and interests of the poorer commons, who were compelled to bear the heavier burdens of taxation and war. In the elections, the clients of the patricians and the rich plebs, while they nominally belonged to the commons, they always voted as their masters dictated.

We have no aristocracy of blood in the United States, but we have the aristocracy of wealth in its worst form. Our overlords are the rich and powerful corporations, controlling the finances and industries of the country; and every one connected with them, directly or indirectly, is a cliental dependent. These cliental dependents of the corporations, while they are nominally of the people, and loudly make such claim themselves, they usually vote as their masters, the corporations, dictate. Back of this corporation system is the United States Senate; and behind it, is the Judiciary, ready to protect the privileged interests under the specious plea of protecting "Vested Rights."

Submission to bondage becomes a habit of nature with the slave, and the slavish cliental dependency

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upon corporations and corporate wealth becomes deeper rooted and fixed with the lapse of time. The powers of resistance are diminished as the means of resistance are gradually taken away. Let not the people fool themselves by thinking the much-needed reforms in our Government can be put off to some indefinite future time. If these reforms are ever to be made, now is the time to make them, before the independence and manhood of the people are further weakened by the debasing influences which are now in operation. The people could now, by a united effort, secure these reforms, and make them permanent by having them incorporated in the National Constitution. Many of the reforms secured by the Roman commons were not lasting because they failed to have them made a part of the "Twelve Tables," which was their national constitution. We warn the people that, if they continue to listen to the platitudes and sophistries of misguided or corrupt politicians, and the disguised advocates of corporate wealth, they may delay these reforms till it will be too late. Graft, dishonesty, and self-seeking, are corrupting both official and private life. Poverty, to which the masses of the people are becoming rapidly reduced, degrades morally as well as physically. The hearthstones of virtuous, contented homes kindle the fires of patriotism; but when the homes are taken away, the altar fires of Freedom are extinguished. The people lose not only the physical means to resist the encroachments of oppression, they lose the moral ability as well. "Eternal vigilance is the price of Liberty." It behooves the people to be constantly vigilant, for "their enemies never sleep."

Some of the men whom the people of the United States have elected to the Lower House of the Congress in the past, and to other positions of honor

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and trust, like the rich plebs of Rome, forgot the interests of their constituency whom they were chosen to represent, sold out to schemes of corporate greed, and became themselves identified with the interests of corporate wealth and the money power.

It is perfectly natural for men to vote for their individual proximate interests. If farmers are elected to a State Legislature, you will find that they mostly confine their efforts at legislation to little local bills affecting neighborhood matters in the localities where they live; if doctors, they want a State License requirement shutting out quacks, and the legal permission to charge and collect certain amounts for prescriptions, diagnosis, surgical operations, etc.; if lawyers, they demand a State License requirement to practice law, and certain fee privileges; if men interested in corporations, they want free franchises, and exemptions from public interference. Every one is more or less blinded to the general public welfare by his own proximate, selfish interests, which are so close to his eyes that they obscure his vision to the larger questions of public policy for the Common Good. The Senators of the United States, and many of the members of the Lower House who are partners and stockholders in corporations, are blinded to the public welfare by their personal connections with corporations. No doubt many of them believe that their individual corporation and monetary interests are the interests of the whole country, and the wrongs inflicted on the people by special privileges and extortions are forgotten and disregarded in their dreams of princely wealth.

Study the history of the Roman Republic, and learn the lessons applicable to our own.

The Nazarene taught that all men are brothers and neighbors; but the ancient heathen religions were all

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religions of caste. In ancient Rome, the pagan priesthood, which had been held in subordination by the Kings, in the Republic soon asserted their independence by perfecting an independent organization. Whereas before, the priests, and other officers of the religious body, had been appointed by the Kings, they were now appointed by their own supreme Pontiffs; and the opinions of the religious teachers became more and more legally binding. The Roman Senate supported the assumptions of the priesthood, and preserved it, what it was from the first, the great stronghold of the aristocracy. Official preferment in the priesthood was exclusively confined to the aristocracy. Even when the people attained their strongest influence in the Tribune, and had acquired an almost equal division of power in the Senate, the priesthood remained firmly closed to the common people, and lost none of its aristocratic character. Of course we are writing of the pagan religion of ancient Rome alone, to the priesthood of which only the patrician, or aristocratic class, were eligible. He who is not hit has no occasion to howl.*

Finally, the real patricians, or old burgesses, had dwindled in number comparatively, until they had become a mere noblesse; but, supported as they were by the Senate and the priesthood, they were continually trying to rise on the ruins of the old monarchy. The number of plebian householders and voters had increased to such an extent that it required all the power of the Senate and the superstitious influence of the pagan religion to hold them in check; and with all that, they were forced from time to time to yield to some of the demands of the commons. The first im-

*One of the proofs that Jesus was the Christ was, "The poor have the Gospel preached to them."—*Matt.* 11.5.

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portant concession made to the plebs was the establishment of a Lower Assembly to be elected by the plebian body, making the law-making power a bicameral body; but the Senate reserved the right to confirm or reject all measures which the Lower Assembly might pass. The permanent establishment of the Tribune was brought about by threatened, if not actual, civil war. The great revolt of the plebs known as the "Secession to the Sacred Hill," about 494 B.C., when farmer soldiers, who had just returned from a campaign against the Volscians, marched in military order out of Rome to a mount near the confluence of the Anio with the Tiber, and threatened to establish there a rival city, unless the patricians would agree to let them have magistrates of their own order. This led to the establishment of the famous Plebian Tribune; but the Senate, soon afterward, established the office of Praetor, or what we would call a Supreme Judge, nullifying, in fact, the judicial functions of the Tribune, and as only patricians were eligible to the office of Praetor, the magistracy continued to remain in the hands of the aristocracy, except that the plebs were able, under the protection of the Tribune, to fill some of the judicial offices below that of Praetor. The Tribune, however, gained in influence with the passing of time, and emerged into political prominence, securing other important concessions to the commons; one of which was reform of the franchise. The property qualification for voting remained, except with this difference, the vote of the poor burgess was made to count as much as that of the rich plebian or lordly patrician.

The oppressed commons at length made demands for agrarian laws, and for relief from the exorbitant interest rates on money. These were in a meas-

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ure met by the Licinian reforms. Also, the condition of the commons was improved from time to time by a distribution of the public lands. A portion of the lands of the conquered provinces were thus distributed in small allotments, usually from about three to seven acres to each person; but the larger portion of all the public lands was held by the State, and the Senate let them out to the rich patricians for a mere nominal rental. While the use of the public lands was almost given to the patricians, the Government continued to hold the title; and in this respect, the Roman Republic was more just than our own, which has, at different times, surrendered its title to large and valuable tracts of the public domain to companies of men for corporate exploitation.

One of the heaviest burdens imposed on the Roman commons was taxation. The immense military and official expenses of the Government had to be provided for by taxation; and that heavy burden fell, as it always does, upon the commons, the producing class. The poorer commons borrowed money from the rich patricians at exorbitant rates of interest, and the result was that thousands became hopelessly involved in debt; and as according to law, the insolvent debtor belonged to his creditor, who could either put him in prison or make him his slave, it happened that thousands of freeborn Roman citizens were either made slaves, or they were cast into prisons for debt. In the struggle which ensued, the more generous minded of the patricians, who were disposed to grant relief and justice to the commons, were, for that reason, persecuted by their own class; some were assassinated, others were forced to leave their country. The Senate trumped up political charges against them, and many were judicially murdered, e. i., put to death in the name of law. One noble patrician because he bought

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corn and distributed it to the starving commons in a time of great famine, was accused by the Senate of treasonable intentions, and put to death. This, notwithstanding the fact of his former eminent services to the State. History reveals that this same patrician had twice saved the very life of the nation. These things show to what extreme measures the Roman Senate would resort to preserve aristocratic ascendancy.

When the Licinian Laws were passed for the relief of the debtor class, the Senate thereafter, for fourteen consecutive years, found military excuses for the appointment of Dictators; the real purpose being to head off the civil reforms advocated by the leaders of the commons, and to prevent the operation of the Licinian Laws. Indeed, this was one of the tricks of the Roman Senate; when they could not stop popular measures any other way, they would provoke a war, and appoint a Dictator. The Roman law gave the Senate the power to do this, as it also required that the Dictator should be appointed from the patrician class. The Dictator wielded the absolute rule of the early Kings, and during his term of office the civil government was subordinated to military authority, and popular legislation was impossible. In numerous instances, when the commons too strongly insisted on some civil reform, the Senate deliberately provoked war with some other nation to make an excuse for appointing a Dictator. Similar conditions obtained to the very end of the Republic.

Rome was made drunken with the spoils of war. The vulgar exploitation of wealth by the few who possessed it, contaminated the habits and manners of the people,—just as is being done in our own country. It was morally impossible for the Roman people to return to the frugal habits and simple lives

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of their forefathers. The masses were overwhelmed with debt, which meant to them slavery and ruin. The success of Tiberius and his brother Caius Gracchus in their attempts to prevent the social ruin of the State by restricting the powers of the Senate, redistributing the domain lands, reorganizing the administration, and restoring the legislative authority of the popular assemblies, was only partial and momentary, and hardly survived their death. Malversation in office had become chronic and universal; the moral debauchery of graft, dishonesty, and vile flattery was complete. "The old Roman stern sense of duty and honor had quite disappeared. Her priests had become pharisees, her philosophers unbelievers, the husbands careless of family honor, the wives practitioners of oriental abominations under the name of mysteries, while the helpless and oppressed commons looked on with superstitious wonder at the hollow but pompous ceremonies of religion." Enslavement for debt continued. How galling must have been that slavery! Freeborn Roman citizens brought to a dungeon or the lash of a master!

Obstinacy to government and organized forms of society is not natural to the poor. They have a kindly feeling for those of high birth and exalted station; they stand in respectful awe of great wealth; but when ground down too low by legalized oppression, the accumulated anger and hate of years breaks forth in frenzied fury against their oppressors.

About 134 B. C., the Servile, or Slave War, broke out in the last years of the Roman Republic in Sicily, where the conditions were the least tolerable. What aggravated the wretched lot of many was the fact they had been free men, and retained a knowledge of better things. The sudden and barbaric fury of the revolt for a time rendered all opposition impos-

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sible. The slaves overran the whole island like demons let loose from bedlam, and routed the mercenary armies sent against them one after another; but after a time the revolt collapsed as suddenly as it was begun, and the slaves returned to their bondage. One of the effects of slavery is to paralyze in the individual the moral elements of independent manhood, and to put in their place a cowering spirit of subserviency to masters; and usually, in a slave revolt, as soon as revenge is satisfied, they are easily subdued and made to return to their former servile relations.

Legalized oppression has always required for its maintenance the overawing and overpowering strength of a mercenary soldiery. A citizen soldiery is a protection to the rights of the common people; a mercenary soldiery is the dependence of aristocracy and legalized oppression. When the common people are exasperated by oppression into acts of lawlessness, a mercenary soldiery is the surest dependency for putting them down. History shows that this has been true in all governments. Is not the United States gradually increasing her mercenary military forces? Who are the ones constantly insisting upon the need for a stronger military? Are they not the representatives of predatory wealth?

The Roman Republic would have fallen much sooner than it did had it not been for the almost continual acquisition of new territory, and the spoils of war; but the intolerable conditions of legalized oppression could not go on forever, and Rome fell.

There is now no new territory which the United States can acquire; the public land domain is practically used up; one thousand men own more than half of the nation's wealth; rich, law-defying corporations control labor, the finances, the industries, the

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Judiciary, the SENATE, and therefore, the Government. The United States has traveled faster toward national destruction than did the Roman Republic. Why cannot men see this, and make the needed saving reforms before it is too late? The monied aristocracy will not willingly yield. They have a hold on the Government, and even on the private lives of individuals, which cannot easily be broken. On the other hand, the masses, pressed down lower and lower by grinding monopolies, will be further enervated by the degrading effects of abject poverty and hopeless toil, and their physical and moral ability for resistance against oppression reduced, which will render them impotent in the future struggle,—that may be indefinitely delayed,—but which, in the end, is sure to come, with national dissolution to follow. "Evils like these, long working in the heart of a nation, make their own cure impossible." "A revolution may execute judgment on one generation, and that generation, perhaps, the very one which was beginning to see and to repent of its inherited sins; but it cannot restore life to the morally dead; and its ill success, as if in this line of evil no curse should be wanting, is pleaded by other oppressors as a defense of their own iniquity, and a reason for perpetuating it forever."

The tactics of aristocracy and predatory wealth are often not openly to oppose popular reforms, but, by exciting the imaginations of the people, by false reasoning, by appeals to prejudice and party spirit, by creating false issues and organizing antagonistic parties among the people, to secure delay; well knowing that the advantages of delay are all on their side.

The contemplation of present and probable future conditions disturbs the soul like a horrible dream. Sudden and great catastrophes attract public notice,

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and powerfully arouse human sympathies; but the patient sufferings, wrongs and miseries of the oppressed poor claim little attention. Only the salient events, in which the rich and great were concerned, are given any prominence in history; as to the down-trodden poor, their crimes have been given a record, but their struggles, and suffering, and wretchedness, were passed unnoticed. A very few noble souls, like Dickens of England, who gave to their dumb miseries a tongue which opened to the light of heaven and liberty the prison doors of imprisoned debtors, have lifted up their voices against oppression, but, in the main, their wrongs and sufferings have been obscured by the false glamour of material achievement, their complainings hushed in the confusion of the unrelenting strife for material wealth and political power.

It would require a man whose soul had felt every pang of human woe; who had a command of language equal to express every shade of feeling, every degree of pain mental and physical, the horrors of crime, the utter hopelessness of despair, and a pen dipt in the red blood of murdered innocence, a vellum taken from broken human hearts on which to write, to fitly portray the aggregate suffering of the poor and oppressed under the aristocratic, capitalistic system during the generations that are past. We charge that it has always been the particular province and purpose of the Senate to preserve this illogical, inhuman, deadly system. Any one who will make a study of

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sociological and political subjects, under the light of history, will be convinced of this fact.

The House of Lords in England, which is copied after the Roman Senate, exists for no other purpose but to preserve the English aristocracy. In recent years, there has developed a growing sentiment among the English people to make the House of Lords elective instead of hereditary.

The framers of our Government, Washington, Alexander Hamilton, and others, constituting a majority of the first Federal Convention which drafted our National Constitution, were good men, and patriots; but they had come from the English aristocracy, and were not free from its predilections and prejudices. The manner of electing United States Senators by the State Legislatures instead of by a direct vote of the people, was incorporated in the Federal Constitution, as they termed it, "To make it a more conservative body"; the real reason was to place a legislative barrier against the expression of the popular will, and to preserve the aristocratic interests. Thus another tooth of the dragon was sown.

We have no objection to an Upper Assembly in the Congress, provided it is made a popular body by direct election of the people. The only excuse for the existence of the United States Senate is to give to each State, as an integral part of the Union, equal representation in the Upper Assembly of the Congress. This contention is just, and would not be objectionable, if the Senators were elected by a direct vote of the people.

We are fully satisfied that there is a constitutional majority of the voters in all the States who favor a constitutional amendment making United States Senators elective by the popular vote of the people in the States from which they are chosen. With a

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large number of citizens, the idea entertained is simply this;—that there is quite enough of conservatism in the Courts to meet all the conservative needs of the Government, and that, with the United States Senate as at present constituted, there is a preponderance of conservatism which is obstructive to progress, and detrimental to the public welfare.

By electing United States Senators by popular vote, the Congress would be made more completely and truly a representative body; and the Congress, if made a popular body, is "the bulwark of the people's liberties," and not the Courts; because it is nearest to them, and representative of their will. The Courts are farthest removed from the people, and while they must be upheld when in the right, and in the enforcement of law, we are frank to say that we are not of those who believe the Courts are infallible and incorruptible. On the contrary, history proves to us that the leaning of the Judiciary in all countries is toward private and corporate interests as against popular rights.

The Federal Constitution gave to the Congress the ampler powers of the coördinate branches of the Government. The Lower House of the Congress can impeach the President, it can impeach any Federal Judge in the United States Courts; but the Senate has the sole right to try the impeachment and render judgment. The tribunal for trying impeachments should be composed of an equal number of Senators and Congressmen, chosen by their respective bodies for that purpose.

The power of impeachment is the only means of disciplining the Federal Judges and holding them to strict equity within proper jurisdiction, and to the conservation of popular rights. If the United States Senate was a popular body as well as the Lower

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House, the Congress could wield the power of impeachment with effect; and this it should do whenever necessary to protect the weak from the aggressions of the strong, and the civil rights of the people; even if it became obligatory to impeach the whole Supreme Court itself, to the end that our Federal Judiciary may be kept pure and incorrupt from the corrupting influences of cupidity, private interests, and corporate greed. We cannot have a truly democratic government without making the Judiciary measurably subordinate to the Law-making Power.

It is well that the people should understand the immense power which they can wield through the Congress when once it is made a truly representative body in the election of United States Senators by popular vote. Needed amendments to the Constitution can then be made, public criminals can be brought to justice and punished for their crimes, the awful burden of debt and taxation which now rests upon the people can be removed, and that of which they have been unjustly plundered can be restored.

We do not decry the efforts put forth in an educational or religious way for the intellectual, moral, and spiritual uplifting of the people; we heartily welcome any agency so employed;* but the people will never rise to the dignity of responsible citizenship, nor to the full stature and nobility of perfect manhood and womanhood, until the pressure is taken off from the top; and one of the heaviest of the top-weights is the United States Senate, as at present constituted.

*There can be spiritual development independent of physical environment; but it still remains that man's physical well-being depends on physical laws.

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CHAPTER VII

MONEY—THE GOD OF GOLD

The Jews, though they had seen the wonders wrought
By Power Divine, by which they had been brought
From under bondage in an alien land;
Though they had seen the sea, at God's command
Divide its waters for a safe highway,
And close upon their enemies as prey;
Though they had seen the smitten rock that burst
Into a spring to satisfy their thirst;
Though, in Er Rahah's plain they felt the shocks
Of mighty earthquakes rending solid rocks,
When o'er the mount Jehovah's footsteps trod,
And heard at Sinai the voice of God
Amid the lightning, thundering aloud
Commandments of the law from out the cloud,
They made a god of gold, a "golden calf."
It made the angels weep and devils laugh.
By Moses ground to powder, into water cast,
They had to drink their folly at the last.
So those who worship now the god of gold
Their gross stupidity will yet behold.
Man bows no longer down to wood or stone,
Yet makes a golden image of his own;
And like the stupid Jews in story told,
Pays foolish homage to a god of gold.
Wealth's acquisition is a virtue claimed;
The rich are honored, while the poor are shamed,

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A bank account the rule for measurement
Of mens' abilities, with small dissent.
The nation is debauched, like Rome of old,
And rich and poor alike bow down to gold.
The loss of Liberty will be the cost,
In Greed's devouring maelstrom will be lost.
The Sinai of Law, though thund'ring loud,
Is little heeded by the gold-mad crowd.
We need more Daniels, patriotic, bold,
Who will not bow the knee to gods of gold.
We need a Moses who could make us free,
And call apart the friends of Liberty
To make a stand for righteousness of life,
And end the greed, dishonesty and strife.

CHAPTER VIII

THE SOCIAL NECESSITY FOR MONEY

Money is such a universal necessity of civilized society that it is difficult to conceive of society without money.

Deprive society of money, and the activities and industry would languish for want of an attractive and commensurate reward, science and art would be restricted to such a degree that there would occur a rapid retrogression back to primitive conditions, wherein were supplied only the simplest, most necessary physical wants; man's exalted intellectual endowments would be neglected, the higher sciences and the fine arts would perish.

The comforts and pleasant environments of civilized society are purchased with money.

The railways and steamship lines have brought the

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markets of the world to our doors. The colder regions of the North feast on the fruits of the tropic climes. There is a world-wide exchange and interchange of commodities. The various products of different countries are everywhere available. The telegraph and the telephone have put us in speaking distance with the most remote peoples, who are thus made our next-door neighbors. None of which would be possible without money.

Scientific discoveries and scientific researches, which have in the past contributed so largely to the amelioration of adverse conditions, to the triumph over nature, to the safety and dignity of human life, depend upon money.

Astronomers require telescopes and observatories to enable them to read the wisdom taught by the stars, and chemists must have costly laboratories for experimentation in separating matter into its elements and discovering their properties and uses; schools and colleges are necessary factors in education; governments are essential to guarantee to the people the protection of "life, liberty and the pursuit of happiness"; the modern needs of society demand ships on the seas, railways on the land, telegraph and telephone, and all these cost money; the vast undertakings of philanthropy and religion, such as schools, churches, hospitals, preaching, missionary enterprises, eleemosynary institutions for the moral and physical uplift of mankind, require an immense outlay of money, and could not be successfully carried on without it. Our cities, with all their wealth of art and treasure, were built with money.

The history of a people is most permanently and correctly written in their architecture. Churches, cathedrals, temples, public buildings and structures, statues in stone and bronze, are the lasting monuments to

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the character, culture and refinement of a people, by which future generations will measure the standard of their civilization.

Money is a social necessity, but its benefits to the community depend upon the manner of its use; and that depends as much on judgment as on good intentions. Benefactions, unwisely made, may increase the evils which they were intended to cure. Beneficence, and the means and capacity to bestow it wisely, is a rare combination.

CHAPTER IX

THE POPULAR CONCEPTION OF MONEY—ITS INFLUENCE ON MORALS—USES AND ABUSES

"Making money" is the ruling passion of the age, the prime object and incentive of human endeavor, whether the efforts be laudable or unlaudable, just or criminal.

Money is made far more than a measure of value; it is made the measure of success, of ability, and respectability. Failure to make money is regarded as a discrediting moral delinquency, and is sufficient to put the degrading stamp of failure on a man's life; while the successful accumulation of money merits society's approving stamp of success.

If we are asked how much a man is worth, we understand that money is meant, and our answer is expressed in dollars, in like manner as if we answered the same question about a horse.

Success in accumulating money is construed to denote a high order of ability, and to fit a man for responsible official position; while failure to make money

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is understood to show a lack of ability, and therefore unfitness for positions of public trust. The arguments offered are that if a man has made money in his own business, it proves his ability to run the public's business; but if he has failed to make money in his own business, it proves lack of ability, and he is not to be trusted with the public's business. Money is thus made the key that unlocks the gate to political honors and social distinction, and all those who have not that key are left on the outside.

Since the sense of money degenerated into a commodity estimate, instead of a simple measure of value, the tendency has been to regard it as the only commodity of real worth, and to put a money estimate on everything.

Our national emblem, and the cryptogram on our money is the same, and when we speak of our national greatness, we refer not so much to the nation's glorious history, its great constitution, as to the sum in dollars of our national wealth. With us almost everything is reduced to a matter of dollars and cents.

Honest government is fiduciary in character, not emolumental, but the policy of our government has been subordinated to "making money" as the main object, by which the privileged classes have been encouraged to exploit the natural resources of the country in criminal waste, and to accumulate for themselves a vastly unjust proportion of the nation's wealth. If reforms are insisted upon, demanding justice and equal rights, whereby the "money making" of the privileged classes is threatened, they immediately raise the alarm that business is being injured, "vested rights" interfered with, and that they are losing money; that the proposed laws are unjust because they deprive the creditors of their profits, the investors of their dividends, and that money (which in this

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instance they designate capital), will be withdrawn from the uses of trade and industry, that working men will be thrown out of employment, that manufactures will stop, that men owning small businesses will be bankrupt. Confronted with panic and commercial ruin, the proposed reforms are abandoned, or if enacted into laws, nullified in their execution.

The "full dinner pail," in times of so-called prosperity, is sufficient argument to continue the same policy; and the empty dinner pail, in times of money-contraction, is charged to inimical legislation, interfering with "vested rights" and the "investment of capital"; and so the empty dinner pail is likewise made a successful argument for continuing the same policy. Money is thus made an all-powerful machine of grinding oppression. Into this machine is cast the soil of our valleys, the forests of our hills and mountains, the treasures of our mines, the waters of our once limpid streams, manhood and womanhood, old age and childhood, physical and intellectual ability for service, health, honor, intelligence, virtue; out of it issue as refuse and wastrel, lands exhausted of fertility, barren and gullied hills, depleted mines, polluted streams, physical and moral wrecks, disease, want, suffering, dishonor, ignorance, death, suicide and crime; and the sole treasured product of it all is the blood-stained money profits of a privileged few.

The passion for "money making" is world-wide, the universal folly of mankind. Every nation has felt its curse, and at some time incurred national dishonor. France had its Panama scandal that wrecked fortunes and lives, brought suffering to the poor, and weakened the national credit; England had its South Sea Bubble, and the United States its Credit Mobilier Frauds; but the greatest evil in the United States is the ruinous despoliation of the nation's natural wealth

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by the privileged, protected classes. Which, if persisted in, will leave to the poverty-stricken generations that are to follow, an impoverished country as an inevitable legacy.

The methods of so-called "high finance" are the same in principle as the gaming tables of Monte Carlo or the race tracks of Sheepshead Bay; and since custom has obliterated the old standards of ethical business, there is no longer a definite line of demarcation between legitimate business and speculation, hundreds, every year, some perhaps almost unconsciously, drift from the safe waters of legitimate trade into the wild and turbulent maelstrom of gambling speculation.

A desire for knowledge, for a home, for the comforts of life, food and raiment, stimulates to laudable industry to make the money to buy these things, and is in the highest degree useful to society; but when the passion for "making money" creates the gambling propensity, the wish to make money without giving an honest equivalent, then instead of being an incentive to honest industry, the incitement is rather to avoid labor, and the result is a paralysis of industrial effort, and the tendency to dishonesty and crime.

The popular conception of money is that it is something of particular value, and that its use is to buy things with. The idea is that if you have plenty of money you can buy whatever you want; but that if you have not much money you cannot buy the things you want, and that, perforce, you will have to do without them.

If you have money, you can buy fine clothes and dress in the latest style; but if you have no money you must dress cheaply or in rags. If you have money, you can go to school, buy books, and pay for an education; but if you have no money you must grow up in ignorance. If you have money,

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you can own a home and furnish it elegantly, expensively; have fine horses and carriages, automobiles, and servants to wait on you. But if you have no money, you must live in a cabin cheaply furnished, must walk when you travel, and do your own work. If one has plenty of money, he is accounted rich; if he has no money, he is called poor.

With the people, gold, silver, and paper notes, are all money; but they have the correct idea that gold is the standard, and "good as gold" is a common expression. While they will accept silver or paper money as readily as they will gold, or even in preference on account of convenience, it is because they believe the silver and paper money to be "as good as gold."

The possession of money means material independence and social distinction. To have plenty of money is to be rich; to have no money is to be poor. Those who have money can command the services of the poor, or purchase the products of human skill and toil. The poor must work for money with which to buy food and clothing, and the other necessities of life; and this necessity forces them to become the servants of the rich. Those who have plenty of money can command for their use and enjoyment the choicest of delicacies in food and drink, mansions in which to dwell, with every comfort and luxury which human art can produce; those who have no money must live in cabins or hovels, and confine themselves to bare necessities.

A monetary value is placed upon everything. Whatever any one desires to possess or to enjoy, the first question is, how much money will it take to buy it, whether it be an article of food from the grocer, meat from the butcher, or a ticket to the concert. Whether men sell or buy, a monetary price is placed on what is sold or bought. Farmers are more concerned about

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the monetary value of their farm products than they are about the comforts of living. Whether horses, cattle, hogs, grain or potatoes, the value is estimated in money. So many acres will produce so many bushels of corn, wheat or potatoes, which will be worth so many dollars. So many horses, so many cattle, so many hogs, will bring so much money. Money being the chief end of production, you hear farmers speak of growing certain things as "a money crop." Cotton is the "money crop" of certain Southern states. During slavery, before the War of the Rebellion, immense tracts of land were cleared of the forests, the finest kinds of timber put in great "log-heaps" and burned (because timber was plentiful then and not worth much money,) and the land was cultivated in cotton from year to year for the money it would bring, until thousands of acres of the best land were exhausted of their fertility and worn and washed into gullies.

In the Middle States the "money crop" was corn and hogs. As fast as the land was worn out, fresh land was cleared up and put in corn, to be worn out in like manner, — all for the sake of money.

The inevitable result is that the land has long since been exhausted of its virgin fertility, and thousands of acres of once fertile lands now lie abandoned in barren, uncultivated wastes and sedgy moors. Cotton is still the "money crop" of the South, and farmers, for a number of years, have been stimulating their exhausted soils with patent fertilizers, which only hasten a complete waste of fertility. In some sections the "money crop" has changed with changing market conditions, and, because, on the exhausted lands, the same crops cannot be profitably grown.

The Bluegrass section of Kentucky was a cattle

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country before the formation of the Beef Trust. The land was naturally suited for grazing, and the cattle industry was profitable. At that time the Bluegrass section of Kentucky was one of the prettiest in all the world. Broad, rolling fields of blue grass stretched from horizon to horizon, and herds of fine cattle fattened upon that succulent grass. The Beef Trust put down the price of cattle to a point where the industry was no longer profitable, and the Kentucky farmers took up tobacco raising in its stead. The beautiful fields of blue grass were plowed up and planted in tobacco as a "money crop." The herds of cattle were sold for what they would bring. The injury to the natural beauty of that section is almost unbelievable, and the once fertile soil is being rapidly exhausted. Lately the Tobacco Trust put down the price of tobacco till it was no longer profitable, and the latest crop there is the "Night Riders"; and we might call them a "money crop," too, for a higher price for their tobacco was the first object of their organization.

Cattle raising on the plains of the West has been greatly reduced by the low prices paid for cattle by the Beef Trust, and the farmers have turned to grain as a "money crop," with its consequent impoverishment of the soil. The farmer exhausts his lands to make a little money, and then spends that money for high priced machinery, for patent fertilizers, ready-made clothing and manufactured products. The money soon goes back to the money centres, into the hands of the rich. The costly machinery wears out or goes to wrack in wind and weather in the fields, the wasted lands are often mortgaged for debt, but still the "money crops" are planted, and the ruinous policy continues.

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CHAPTER X.

"INTEREST," OR THE REPRODUCTIVE POWER OF MONEY— CREDIT AND ITS DANGEROUS TEMPTATIONS TO THE AMBITIOUS.

Another popular estimate of money is that it possesses a reproductive power, or, in popular phrase, "Money draws interest." Young men are urged to save money and put it away in a bank, or loan it, where it will "draw interest." It is pointed out to them how successful men become rich by doing thus. All of which is true; but this very "interest-drawing" power of money absorbs the profits of production, and whenever the interest rate is more than the natural profits of production, and its tendency is to be more, poverty is the portion of those who have it to pay. Many young men start bank accounts and save money until they have enough to merit the popular commendation of having made "a good start in life."

In this they act wisely, and if they could continue to add to this sum, instead of drawing from it, they would become rich men. But when a young man marries and assumes the obligations of a family; a home has to be purchased and furnished; children have to be clothed and educated; expenses of living—clothing, food, rentals, insurance, taxes, drug bills and doctors' bills have to be paid; he has to launch a business where he comes in contact every day with opposing interests of others, and he is peculiarly fortunate if he more than holds his own. In most instances the incurring of debt becomes unavoidable; then the inter-

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est drawing power of money operates to his disadvantage. If the interest on borrowed money exceeds the profits of his trade in business, or the products of his farm, insolvency is the speedy result. The man is blamed as "unfortunate," or with being "a poor manager," in common parlance. The system of money is never blamed.

In times of money-contraction or expansion, the people speak of money as being "tight" or "plentiful." When money is "tight," as they express it, they either blame the party in power in the government, or charge it to adverse legislation, which has supposedly stopped the investment of capital; but they never once think of charging any fault to the money system.

Officials of government get up monetary commissions to enquire into the needs of our "currency system"—bear in mind "currency system," which means the silver and paper based on gold redemption. Gold is the only real money in the last analysis, according to their logic, and they think there can be nothing wrong with gold. They continually search for the trouble in the "currency."

The "currency," as they call it, however, is all that supervenes between the poor, the debtor, and ruin—a fact of which they seem to be vaguely aware, else they would completely do away with the "currency" in the interest of the creditor and money-lender. Our currency, composed of silver coins and paper notes, is the people's money.

In the exchange of commodities among rural populations, the primitive system of barter, from which the use of money was derived, still obtains to a considerable extent; and even in trade is this limitedly true. These barter exchanges are usually effected by the use of articles of current acceptance, which are popularly referred to as being "as good as the money,"

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which means that they can be converted into money without loss. A money price is the basis, even in the direct exchange of commodities.

Barter was the only mode of exchange among primitive peoples. Money is the invention of civilization, with which it began. While money is the medium of exchange used by civilized mankind, barter has never been entirely discontinued; and it is often well for the poor that they can sometimes take advantage of barter exchanges. Often a poor man can exchange his services or a commodity which he does not need, or one that he can readily dispense with, for a commodity which he does need. Farm laborers are often paid for their labor in commodities, receiving for a day's work on the farm a bushel of corn, or five pounds of meat, or some other commodity or commodities of equal worth, which will meet their necessities. If money should be entirely withdrawn from circulation among the poor, they could and would have recourse to barter.

One influence of money is social segregation. People are classed according to the amount of money they have; or rather, they are classed by style of living and manner of dress, and these are determined by the amount of money each person possesses. The possession or non-possession of money divides the people into what are called the "lower classes," who have no money; the "middle class," who have moderate amounts of money, and the "upper class," who have—or are supposed to have—an abundance of money, enabling them to dress and maintain a costly style of living. No one can enter or remain in what is called "high-class society," without the money to live and dress as they do. This appears to be especially true in the matter of dress. Intelligence, education, and moral character are not enough; unless

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one can dress well, he or she is not admitted into what is called "society." Parents are usually ambitious for their children, if not for themselves; and, realizing the importance of dress, they often tax themselves beyond their means, and acquire the ruinous practice of going in debt.

The kind of house one lives in, its location as to neighborhood and environments; the style of living as well as dress, have a determining influence on social position. People are judged by the society in which they are classed.

Many maintain for a time the false semblance of prosperity by going in debt in order to hold their social position. When they have incurred a burden of debt which they are no longer able to carry, and they see bankruptcy and social degradation impending, they feel that they have lost all in life worth possessing, and the very fountain of their lives is embittered. It is for this reason that some resort to every conceivable scheme, honest or dishonest, to make money with which to keep or to regain their social standing, and we have defaulting cashiers and officers of banks, embezzlers of trust funds, grafters in official position, betrayers of public and private confidence. The result is criminality, degradation, ruin of character, suicide and death.

The association of young people is restricted to the class in which they belong. Parents, aware of this fact, try to dress their children so that they can go, as popularly termed, in "good society." Children, in addition to being influenced in their characters and habits by the associations which they keep, are apt to marry in that class when they grow up. The circumstances, environment, opportunities, social status—the whole future of their lives is involved in the kind of company they keep; and, right or wrong, that de-

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pends on style of living and dress, which, in turn, depend on money.

Children of parents who belong to the different Christian denominations stay away from Sunday school and preaching because they "can't dress well enough to go," which directly affects their moral training; because young people must have entertainment of some kind, and if they cannot get it where they should, the chances are they will get it where they should not. Parents stay at home of Sundays from the same excuse, and their children are morally influenced by their example.

Those who make and set the styles of dress, change those styles as often as the seasons change, and the object on their part is money profits. With the rich, the styles are adopted to make display.

A young lady may have a pretty suit, yet, if it has gone out of the style, she cannot go to church, into society, or anywhere, till she gets a new suit made in the latest style.

No matter how unbecoming the new style may be to her; no matter the money cost, the ability or inability to buy it, she must have it anyway, or be considered "poor folk," it being considered that if a person is not dressed in the latest style it is because that person has not the necessary money or credit.

If a man's business in any way depends upon credit, it is particularly important to him to dress his family in style and keep up appearances, in order to maintain his credit. It is this necessity which frequently puts men in a position where, financially, they cannot afford the standard of living and dress, yet they cannot afford the disclosure of lack of money which any economy would make; because that would injure their credit—possibly cause their creditors to at once demand settlement, which would mean bankruptcy, ruin

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and disgrace. It places a man between two necessities of conduct, neither of which he can seemingly afford. Honesty is set against the necessity for duplicity and hypocrisy. If he yields to the necessity for duplicity and hypocrisy, the probability is that he will only delay inevitable bankruptcy, the evils of which will be greatly augmented when it does come. It is difficult to appreciate the awful strain in which most people are living. Each individual is so obsessed, possessed, and distressed with his own particular troubles and difficulties that he gives little heed or concern to the troubles of other people.

The rich set the gait of vulgar extravagance, and the whole nation is in a strain trying to keep up with the procession. This extravagance is not only vulgar, it is criminal; for it increases want and suffering with the poor, and encourages dishonesty and crime.

Extravagance has reached a wild excess
In vulgar rivalry to make display,
In millions spent each year for costly dress,
And millions more in follies of the day.

The rich in splendid mansions live in ease
And princely luxury; while, sad to tell,
With scarce enough their hunger to appease,
The very poor in crowded hovels dwell.

In sparkling diamonds, silks, and furs arrayed,
A proud, rich lady in her auto speeds;
Her sister, poor, in garments old and frayed,
Must walk; the rich rides by, and never heeds.

Her poodle dogs wear collars costly gemmed
With diamonds and pearls—on carpets tread,

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While ragged, barefeet children are condemned
To walk the cold hard streets, and beg for bread.

The rich man, sordid grown with hoarded gold,
Has lost all pity in his lust for gain;
For brother, toiling in the heat or cold,
Cares not, and passes him with proud disdain.

In shop and factory, from day to day,
Frail women, girls, and children young
Are forced by want to toil for little pay;
From such as these are money profits wrung.

Debarred, like criminals, from light and air,
Forgotten thousands toil for daily bread,
Whose thin and pallid cheeks are worn with care,
To them, Ambition sleeps, and Hope is dead.

The bestial struggle for the glitt'ring gold
Ignores all justice, tramples Mercy down
As ruthlessly as any tyrant bold
Who wades through blood to win a worthless crown.

Jehovah is forgotten in the race
For "making money," sacred things down trod
And disregarded in the gold-mad chase,
And Mammon is adored instead of God.

Some, moved by Greed, the peoples' rights assail,
The calls of Holy Charity deny.
They never hear the widow's plaintive wail,
Nor friendless orphan's sad and piteous cry.

They wrest the profits from the field and mine,
And fill their coffers high with gold unearned;
They take unjust advantage, and "combine,"
Whereby the laws of Government are spurned.

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CHAPTER XI.

MATRIMONIAL MARKETS—WANING OF CONJUGAL AFFECTION—VICE AND VIRTUE CONTRASTED—SOME COMPENSATIONS FOR POVERTY.

Marriage is often made a mere bargain, and you frequently hear reference made to the "Matrimonial Market." The "eligible party," referred to by mothers, is one with money and position in society. Love, character, compatibility of taste and temperament, the holy obligations of wedlock, are disregarded for the sake of money and position in society. Mothers go to large expense to clothe their daughters with every artificial attraction of dress to accentuate their physical charms, and then take them off to popular resorts—to the beach, to the salons of foreign cities—setting them up in the "Matrimonial Market," to be taken by the highest bidder—and the highest bidder is the "eligible party," with the money.

Girls are carefully instructed in the etiquette of high society; but too little attention is given to the cultivation of correct ideals and sound moral principles. Is it any wonder, then, that there is a waning of conjugal affection and faithfulness among that class of married people, and a constant increase of infidelity to the marriage vows; domestic scandals, and divorces?

In such marriages there is little moral conception of the sacred responsibilities of wedlock, or of the obligations to establish a home.

In many instances there is no conjugal affection to

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begin with; the sacredness of the marriage relation is made a mockery. The result is that the hollow pleasures of dress, style, and society, fail to satisfy; and, lacking the moral restraint which comes from true love and affection, the baser passions predominate. Many men before they marry have already debased their character and manhood until they are nothing more than the empty shells of burnt-out passion; they are utterly incapable of honest love. Still, if they have plenty of money, society winks at their conduct, condones their lechery as the merest foibles, the common indiscretions of youth, and classes them with the "eligible parties." The corrupting influence of this upon the social standards of morals is incalculable. The children of such unions—when there are any—are apt to inherit, if not disease, the debased moral natures of their parents. What reward has virtue when money is made to hide the gravest faults!

For the sake of a little money-revenue, vice is licensed in large cities, to flaunt its red lights to lure to shame, and sin, and death, in order that a few may wear silks and diamonds.

Still, money is essential to civilized society. The proper use of money adds to comfort, convenience, enjoyment, the exercise of human capacities, the largeness and liberty of life. Poverty, or the lack of money, imposes onerous limitations, denies comforts and conveniences, curtails enjoyments, restricts the exercise of capacity, and confines life within narrow and unattractive limits.

Yet, a study of the conditions of the poor discloses many compensative features. If the state of poverty is not too galling, the poor have fewer cares and less responsibilities than the rich; their lives are not so much taken up with extraneous interests, and their

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affections are centered more in the family and the home life; consequently there is among them a stronger bond of sympathy, affection, and fellow feeling—

The family affection with the poor
Is always strong; together they endure
Adversities, and share their meagre joys.
Domestic interest their thought employs.
Their lot, thus circumscribed, intensifies
Their sympathies, and strengthens fam'ly ties;
Which, in a measure, tends to compensate
The dull monotony of hapless fate."

Everything is operated on the basis of money profits. The policy with farmers is to till their lands in crops that will bring the largest returns in money profits. Merchants buy and sell for money profits; the factories, and industries of every kind are run for money profits. To better secure these profits, modern commercial combines have been formed, legislation has been influenced in favor of privileged interests with its consequent demoralizing effect on the national character, wages have been reduced, cost of living made more, cost of production made less, the material in manufacture often counterfeited or cheapened by adulteration; even food products adulterated by cheaper and sometimes deleterious matter, jeopardizing the health of the people. It was that which brought about the "National Pure Food Law."

This whole system of money profits, in its logical analysis, is found to come off production and the producer. There is a great deal said about the burdens of the consumer. The largest number of consumers are the producers themselves. The consumer can only consume what has been produced, and his mone-

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tary ability to purchase was derived either from his own labor or that of others. Any way you look at it, the burden of "money profits" falls on production and the producer. When public improvements are made, value of property is enhanced, and taxes are raised; but the taxes are more than met by the charge of higher rentals; so it is the laboring man, the producer, who pays the rentals and therefore pays the taxes.

Public expenses of taxation are either met by higher rentals, or reduced wages, or the increased cost of living, and come directly off the producer. The result of excessive "money profits" above the natural increase of production is finally to weaken the sources of production, and to impoverish the masses. The moral tone of society is corrupted, national and individual character and standards are lowered, national strength is debilitated, national honor is lost, widespread want of faith and confidence is felt, discontent and strife are fomented, jeopardizing the very autonomy of the state; for revolution and national dissolution is apt to follow.

From the very fact that money adds greatly to the exercise of capacity, it imposes obligations on the possessor which cannot be lightly regarded. Every one is responsible for the use made of natural faculties, both physical and mental. While money will not buy capacity, it removes the hindrances from the use and exercise thereof, and the man of money who fails to make the best use of his natural endowments, and who neglects to exercise his capacity for doing good with his money, is doubly censurable. It is quite possible for a man with money to fail to use it either for his own welfare or the welfare of others, but it is impossible for him to escape the responsibility. Money is unable to buy the moral qualities of

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character and happiness; but it does enable its possessor, if he will, to do things that may adorn his character, and to buy the things which will minister to his happiness.

While money gives to a man social prominence, it puts him in the limelight of public criticism, where he is apt to incur the envy, if not the hatred of his fellow men, and an isolation from the common brotherhood which may cause him to look upon the tenders of love and friendship as promoted by selfish motives. Whether used for good or evil, wisely or unwisely, money is an instrument of great power.

The class denominated as "loan sharks" are vultures who prey upon the necessities of the unfortunate. Thousands of working men on small salaries in the cities make barely enough to support their families by practicing the most rigid economy, and it is practically impossible for them to lay up anything for "a rainy day." When sickness or misfortune overtakes them, or their families, they are forced either to appeal to charity or ask for loans on their salaries. No self-respecting man will appeal to charity till the very last extremity; hence these men are the easy victims of the "loan sharks," who put attractive advertisements in the newspapers, which read, "Salaried people advanced money on their own names without security, on easy payments—strictly confidential," and other like enticing forms.

The "loan sharks" charge exorbitant interest rates, sometimes as much as 800 per cent.; and for a poor laboring man to borrow money from them means at the least, cruel deprivation, often disaster, sometimes moral shipwreck as well. It is true that some of those who patronize "loan sharks" do so to get money to spend in gambling, drinking, licentiousness and vice. Men sometimes try to lead double lives. In

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their homes, or on the street in the daytime, they will appear moral and respectable; but when screened by the curtains of darkness, they are not strangers to dens of vice; and when they get into debt through vices secretly practiced, they go to the "loan sharks" clandestinely for money to prevent discovery and exposure—thinking to be able to pay it back secretly; in which intention they often fail, and then comes upon them the inevitable discovery and consequent disgrace. But in either case they are victims of circumstances, and the "loan sharks" take advantage of their misfortunes.

While society is perhaps right in withholding sympathy from those who get into debt through vice, the indifference of society to those who get into debt unavoidably on account of sickness or misfortune, through no fault of their own, is monstrous and inhuman. Not long ago, in this city, a poor woman died from exposure and want caused by the forced collection of a chattel mortgage held by a loan shark. Such instances are constantly occurring, though but few come to public notice. Society remains indifferent while the "loan sharks" ply their disreputable trade. A poor laboring man, as long as he and his family have health and make wages sufficient to live, may enjoy a reasonable degree of contentment; for men are prone to look forward to "a better day coming"; but when he is overtaken by sickness or misfortune, and forced to go into debt, thenceforward his life is apt to become weighted with the hopeless burden.

The "loan sharks" are not the only ones who victimize the poor and the unfortunate. Merchants charge more for their goods sold on credit; doctors frequently charge unreasonably and extortionately for their professional services; and if a man fails to pay his debts he loses character and standing in the

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community; his family shares in his social degradation; his children are denied education and morally healthy associations, and are apt to grow to swell the ranks of the vicious and the lawless.

The number of those who have invested their money savings in corporate securities has greatly increased in the last few years; thereby increasing the number of cliental dependents of the corporations. The corporations have encouraged this investment with two objects in view; one of which is to get investors' money, and the other is to fasten the corporation system on the country. If, in addition to the laboring class, whose services and wages they control—and through that their votes—they can enlist on their side a large number of the politically influential middle class by inducing them to invest their money savings in corporation securities, their power for influencing legislation will be immensely augmented.

This investment class already comprise several millions of citizens whose individual investments range from one hundred dollars to ten thousand dollars. Owners of railroad stocks alone have increased in the last four years from 350,000 to 500,000. In the various big corporations there are now more than 3,000,000 investors. While they have neither voice nor authority in the management of those corporations, they flatter themselves that they are partners with the big "captains of industry." Twenty million more are interested in corporate enterprises by way of trustees, banks, hospitals, colleges, insurance companies, and other financial institutions. The larger majority of the last-mentioned class of investors have invested in life insurance.

The causes for this greatly increased investment in corporation securities are charged in part to the

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fall of other securities, and industrial and commercial depression; but the main cause is that in the last four or five years newspapers and magazines have been filled with attractive articles and advertisements encouraging such investments. The object sought for is an effective means for combating the growing sentiment for government ownership and control. With a large number of citizens interested as investors in corporations, they would build up, indeed, a kind of social organization, but one under private control; controlled not for the benefit of the masses, but in the interest of a favored few. Of course, those who are at the head have no thought of allowing the number of the investors or the amounts of their investments to have any influence in the management or division of profits.

A writer in *American Review of Reviews*, says in the December number: "Last year (that is, the year of 1907), many law-making bodies were trying to bend the big corporations to the public will . . . in some cases with danger of breaking them. At this date, however (one year later), there are many signs that whatever regulation takes place will be in the investor's behalf. One feature is the rise of protective societies, such as the American Railroad Employees and Investors' Association. Its executive committee is composed of four railroad presidents and the heads of four of the railway brotherhoods, one of whom is P. H. Morrissey, its secretary. Its object is to secure a fair return alike to capital and labor invested in American railroads. This association is not to take part in controversies between railroad employees and officials, but to keep a sharp eye on legislation which might work unjustly to the railroad investor and laborer. Perhaps the most striking evidence that the American man and woman are more

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interested than ever in problems of *personal investment* is given by several of the standard magazines. They find a steady response from their readers to the regular advertisement news printed in their columns."

"This wholesome investment education," writes H. D. Robbins in "Trust Companies," "has already had a far-reaching effect—benefiting all concerned."

The reader will please note that the "American Railroad Employees and Investors' Association" is "*not to take part in controversies between railroad employees and officials*," but "*are to keep a sharp eye on legislation*." They seek not only to get control of the investor's money, but more particularly to acquire through cupidity and self-interest, the political control of the investor himself. They are not to have any voice in the management, in the employment or dismissal of laborers or their wages—they are simply "*to keep a sharp eye on legislation*," to see that the popular movement for governmental ownership or control is thwarted. Of all the schemes invented by the corporations, not one is as shrewd as this. We have no doubt that the "standard magazines" referred to are well paid to print "the regular investment news."

It is possible that the corporations do aim to benefit the investors, for it is clearly to their interest to do so; but what about that much larger class of citizens, the common laborers and others, who are not investors? Their despoliation and not their benefit is sought.

Money is able to secure opportunities to those who possess it that are denied to those who have it not. Chief among the desirable opportunities which money will purchase is the opportunity to spend it in objects and works of philanthropy for the moral and

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material benefit of mankind. With money, you can, if you will, clothe the naked and feed the hungry; you can build and equip hospitals, and employ nurses and physicians to care for the indigent sick; you can build and endow schools and colleges, employ teachers, and pay the tuition and expenses of poor students. You can establish public libraries and stock them with books; you can give practical assistance to every means adopted for the physical, moral, and intellectual uplift of your fellow men. But would it not be better that these charities be directed and supplied by the State with unfailing certainty, than to leave them to the uncertain chances of private generosity?

The doors to every opportunity in life, for education, culture, enjoyment, power and influence, are open to those who have money according to their capacity; but money will not buy intelligence nor health. It will furnish the means for an education, but it will not buy the ability to learn. It will pay a doctor to treat you when you are sick, but it will not purchase a healthy constitution nor immunity from disease. Money, while it is able to surround one with comforts, the means for self-improvement, refinement, and the ability to help the less fortunate, it is too often the case that beneficence and the means and capacity to bestow it, rarely go together. Money will buy many things which minister to happiness, but happiness it will not buy. It will buy things, but not character; but character is affected by it either for good or evil. The joy of life, and the largeness and fullness of life, depend not so much on the possession of money as on the character of the possessor.

The monied aristocracy of the country recognize as the greatest menace to intrenched wealth the doctrine that all men are brothers. The press, public teachers,

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the judiciary, every public agency, is enlisted to declare it a monstrous doctrine, anarchistic in conception, and subversive of government. Of course they do not characterize it as universal brotherhood—they employ for their use other titles—and resort to false representation. They claim with their mouths to believe in the brotherhood of men; but deny with their deeds what their lips affirm. What they are afraid of is a brotherhood in fact as well as in name, that men are made of one blood, having like interests and a common destiny; that the welfare of one member of society is the brotherly concern of all, and that all war, and strife, and hatred should cease; that the things of common need should be owned and used in common for the common good, not for private profit; that the communal necessities of life should be as accessible to all as the free air of heaven. This is the monstrous doctrine that men and devils are employing the machinations of hell to prevent.

Under the present system, necessity is made the excuse of greed. Individualism is carried to the extreme, and no one is his "brother's keeper." The implements of industry, the capital on which production is based, the money for the employment of labor, are owned and controlled by a few private individuals to the public detriment, when they should be owned and controlled by the community, in governmentally asserted authority, for the common good.

The wages paid to laboring men in money determine what part of the products of their toil they shall be permitted to consume and enjoy. It has been truthfully asserted that "there is no such thing as over-production." What is miscalled over-production is in reality under-consumption. If the laboring classes were paid higher wages, they could consume more, enjoy more of the comforts of good living, and a

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more equitable share of what their labor produces. The annual products of the United States amount to about four billion dollars. The labor that produces this is paid about two billion dollars. Consequently, the laborers who number fifty to one of the idle rich can consume less than half of the production.

In the scheme of money profits to the employers, wages are reduced to the minimum, and as the various products of industry pass through the hands of middlemen, or merchants, who must also make a money profit off the consumer, the result is that the laboring classes, who pay it all, in the end, are able to consume about one-fourth of what their labor produces. The money paid for that which they do consume goes right back to their employers, and the same struggle for bare subsistence is year after year repeated.

The number of producers, as compared to the number of those who own and control the implements of production, is about as fifty to one. And as the producers, as a whole, get about one-fourth of the production, it follows that each individual producer gets about the two-hundredth part of what he produces. Is that right? Can any argument be adduced to justify it? It is evident that if just wages were paid to laborers, consumption would always keep pace with production.

While production in America appears colossal—and there is a sufficiency produced for the comfort and well-being of every one—the fact is, production in the United States is only a fraction of what it might be made. Suppose the vast untilled wastes of land were put into cultivation; the unused water power employed, and manufacturing advanced commensurately, and that this vastly increased production was equitably distributed for the use and benefit of all,

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what a prosperous and happy country we would have.

Money is the means for the distribution of wealth, and money received as wages is the only way for the laboring man to get his just share of production. The idea is not to adjust production to consumption, but to adjust consumption to production; which can be done only by eliminating the unjust policy of money profits, and by the payment of higher wages to laborers.

CHAPTER XII

MONEY KINGS.

Men are no longer ruled by brutish force as once they were by mediæval despots; but they are ruled none the less effectually through wages and cost of living, by the money kings of the present day. The modern money kings have learned a most refined and scientific way for making the people subject to their authority—they simply rule through the power of money; and while the people no longer slave for a little food and shelter that they may be protected from the murderous invasions of neighboring tribes by the weapons of war, nevertheless, they still slave that they may get some of “the crumbs which fall from the rich man’s table.”

The modern money king has no regard for the land, or those who till it. His one concern is to control the marketing of the crops. He controls men only by controlling the products of their land and their toil. He has no concern for the toiler’s physical well-being or his morals. He charges all those things to the province and care of government, but sees to it that the government does nothing for them that might interfere with what he calls his “vested rights.” The

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people pay tribute to a money king on everything they eat, drink, or wear; and yet they are duped into believing that they are free, and that they live in a free country. By the power of his money, the money king controls legislators and judges, and hires the most astute lawyers to be his servants.

The most powerful of the money kings, while they work in harmony with each other, have carefully defined limits to their particular domains by confining their rule to specific products. King Armour, for instance, controls meats, grain and fertilizers; King Morgan controls banking, iron and steel. Andrew Carnegie established the iron and steel kingdom, and sold it to J. P. Morgan, who acquired enough money from the people by stock-watering methods to make the purchase. King Rockefeller controls petroleum and its products; King Harriman* and King Hill jointly control the railway systems of the country.

*The above observation on money kings was written early in 1908, when Mr. E. H. Harriman was in the zenith of his power. Recently he paid the debt of nature, which removed him forever from the scene of mundane activities, like all who come into the world, rich or poor, high or low.

It is the disposition of the American people to charitably forget the faults of a man after he is dead. Simply as to the man, and his acts, which affected only himself, this is a commendable virtue; but his public acts, which affected the welfare of society, remain legitimate subjects for criticism after his death. Not to do so, would encourage others to follow examples hurtful to the public, and permit serious errors to go uncorrected.

Apparently, an alliance was formed between the Harriman, Morgan, and Rockefeller kingdoms prior to Mr. Harriman's death; and since his demise, one Judge Lovett has been appointed king-regent to govern during the business minority of the younger Harriman until he shall be deemed qualified to reign over his own.

"The king is dead! Long live the king!"

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Every one who sells a bushel of grain, or buys a sack of fertilizer or a pound of meat, pays tribute to King Armour; every one who buys a piece of iron or steel, if it is only a pound of nails, pays tribute to King Morgan; every one who uses petroleum or any of its products, pays tribute to King Rockefeller. By stock-watering, the railroads are capitalized at several times their actual cost and intrinsic worth; but the people are expected to pay dividends on the full amount, and every one who rides over a railroad or ships any product over it, pays tribute to King Harriman, or King Hill, or some other railroad king.

The people, instead of having one king to support in princely luxury and more than mediæval splendor, have a number of them.

King Armour, the meat king, deals in meat to the extent of \$225,000,000 annually.

He has \$100,000,000 invested in buildings and machinery for killing, dressing, packing and shipping meats. He has a half-dozen great slaughter houses and stock-yards, the principal one of which is located in Chicago, Illinois. He butchers about nine million animals every year.

Mediæval kings were territorial kings, and were constantly engaged in wars in the effort to extend or to hold their territorial domains; but our modern money kings care nothing for land; they control only some certain commodities of production or manufacture, not by force of arms or military prowess, but by the power of money. King Armour is the greatest butcher in the world; also the greatest dealer in grain. He controls grain that he may the more completely and easily control meat. His mammoth grain elevators are located everywhere in the great wheat-growing sections of the West and Northwest. He buys annually and handles more than forty million

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bushels of grain. He levies a revenue from the fruit-growing industry of the country by his trains of refrigerator cars that run on every railroad in the United States. The meat and fruit products hauled in his refrigerator cars amount annually to about ninety-eight thousand carloads.

The farmers of the country are particularly the subjects of King Armour; for whatever they grow or raise on the farm has to go to Armour's. He makes the price on the farmer's grain and cattle, and in addition makes them pay a big toll for the use of his cars.

Republics have taken the place of monarchies, constitutional government the place of absolutism; but still, after all the struggles for liberty by the people in the generations that are past, even in republics, money kings rule, establish their dominions, and leave them to their children. When primogeniture was abrogated, it was contended that the sons of the rich would dissipate the accumulations of their sires; but the fact is they do so no longer. J. Ogden Armour has doubled the kingdom left to him by his father, P. D. Armour. In the year 1832, when P. D. Armour was born, the appropriation made by Congress was \$10,057,669.89. To-day the annual budget of P. D. Armour's son is twenty times that amount; or, in other words, his present annual budget is equal to one-half the annual budget of the United States.

He has in his main office in Chicago alone, twelve hundred men. They include a staff of architects, chemists, a legal department of nine lawyers working under an efficient head, buyers, sellers, etc. In addition to his Chicago house, he has two hundred and ninety branch houses in the United States, seventeen in England, five in South Africa, one in Cuba, one in Panama, and three in Continental Europe. He has

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further fastened his hold on the farmers by securing the control of the fertilizer trade in the United States, so that when a farmer buys fertilizers to stimulate his soil, he has to pay tribute to Armour.

The common shipper cannot own his own cars. Private car ownership is the exclusive privilege of the monied royalty. Railroads would hardly dare handle the business of the common man for fear of offending the money kings, who own and control the private car lines. When a farmer ships a crate of fruit he is at the mercy of King Armour, who owns the refrigerator car in which it has to be shipped. The case is different when he sends a letter, which is carried at actual cost, because the mail car line belongs to the government—the people. Ownership of private car lines gives to their owners the power of discrimination, and an undue advantage of the shipper. It gives them a monopoly for forcing extortion from the railroads as well as the public, the independent shipper; it gives them a great power which they have tyrannously employed.

When rebates were allowed, Armour got rebates from the railroad companies, which gave him an enormous advantage over independent shippers. Direct rebates are not allowed now by law; but King Armour and the others get mileage on their cars just the same, which can easily be made equivalent to rebates, and the law against rebates is thereby successfully evaded. Whenever Armour sends out one of his private cars, the railroads not only pay him rent one way for the loaded car, they pay him rent on it empty on its return. "Armour, Rockefeller, and the other money kings get twenty-five per cent. or more a year from the railroads for the use of their cars; a sum which would in four years build a like number of the same kind of cars."

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The child born in the slums, half-fed, half-clothed, viciously environed with squalor and ignorance, is made to feel the cruel weight of discrimination and unequal opportunity when he comes to compete with the child comfortably born, well fed, well dressed, and well educated. The whole of his life's struggle is made against discrimination and unequal opportunity.

Recently, when Upton Sinclair brought to the attention of the public the unsanitary conditions existing in Armour's great slaughtering and packing-houses, and told how men and women suffering with tuberculosis handled the meat in the packing and preparation for markets; how many of the animals slaughtered had the same disease, how the men and women who were employed were brutalized by drink and poverty, and the character of their work and surroundings, a mighty protest of the people, led by President Roosevelt, demanded instant reform; and the Congress was forced by the insistence of the demand to pass a "pure food law," requiring thorough inspection of animals and meats, by government inspectors.

Armour's methods of packing meats being thus attacked by the highest officials in the government, he very naturally lost his European customers. It cost Armour hundreds of millions of dollars in lost European trade; but he promptly transferred that loss on the people of the United States. What else would you expect a king to do? It has always been the practice of kings to punish their rebellious subjects, and King Armour is punishing his subjects for their rebellion by higher meat prices. He will see to it that the People of the United States pay in full to him the losses that he sustained in the ruin of his European trade. What cares he for government inspection? The use of a little money will fix that all right; as to

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the people, he is forcing them to foot the bill by an increased tribute.

Money enables one to travel, and to take periods of rest from labor and business cares; often essential to health and life. The traveler forgets in the novelty of new scenes, the worry and cares of business and toil. For tired, worn-out bodies, there is no elixir like just simple rest. Rest for the mind as well as the body. To get off into the mountains, or on the sea shore, and breathe the pure air, away from all labor and vexatious annoyances; but this is only possible for those who have money.

The desire for money profits has corrupted literature and degraded art. Both writers and artists, for the sake of money, pander to a depraved, immoral public taste; for which reason we have the blasé in literature, and the nude, libidinously suggestive, in art. Even the picture post-cards, allowed primarily by the government to increase the postal revenues, have been degraded into an obscene and salacious use.

The money-changers—once scourged from the Temple—immediately returned. Rented pews, labeled on the ends with the names of the renters, put a money price on the worship of God.

CHAPTER XIII.

EARLY HISTORY OF MONEY.

Primitive transactions were simply barter—the exchange of one commodity for another, as the giving of a sheep for a measure of corn.

As the variety and multiplicity of transactions increased, the exchange of commodities became cum-

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brous, and certain symbols, representing values, began to be used, both as matter of convenience and to facilitate exchanges, constituting a circulating medium which marks the advance in civilization.

Cattle appear from history to have been the most general medium of exchange just ante-dating the use of money symbols. At the time of the Siege of Troy, the expenses for uniforms and weapons for the soldiers and officers were paid in cattle. The English word "pecuniary" is derived from the Latin word "*pecus*," meaning cattle. In different countries and times, cattle, hides, furs, ivory, beads, various other commodities, and in some countries even scraps of iron and nails, have been used as mediums of exchange.

The use of coined money cannot be historically traced farther back than the ninth century B. C. The earliest metallic money was in forms of bars, and spikes, and rings. The ring money could be opened or closed, or linked in a chain for convenience in carrying. The Lydians are thought to have been the first people who used genuinely coined money, about seven hundred or eight hundred years before the Christian Era; and their example was soon afterwards followed by the states of Greece—the earliest Greek coins being those of Aegina.

The process of coining money, in the beginning, consisted in placing a globular form of metal over a disc, on which was engraved the religious or national symbol to be impressed. A wedge or punch, placed at the back of the metal, was held steadily with one hand, and struck by a hammer with the other until the metal was sufficiently fixed in the die to receive a good impression. The impression was not a guarantee of weight, but attested the royal authority that made it money. The matter of coinage was in the be-

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gaining a sovereign prerogative, exercised only by the state, and the stamp on the coins was the fiat of kingly authority, establishing their measure of value.

From the nature of the crude process, the earliest coins had a lumpy appearance, and on their reverse was a rough, irregular, hollow square, corresponding with a similar square on the punch, devised for the purpose of keeping the coin steady when struck by the coining hammer. The original coins of Asia Minor were of gold, those of Greece, of silver. The earliest coins bear emblems of a sacred character, often embodying some legend regarding the foundation of the state, as the *phoca*, or seal, on the coins of the Phocians, which allude to the shoal of seals which are said to have followed the fleet during the emigration of the people.

The coins of Miletus, in Ionia, have the head of a lion stamped on them. This symbol was derived from Persia and Assyria, and was associated with the worship of Cybele. Types of this kind were succeeded by portraits of protecting deities. The earliest coins of Athens have the owl, as type of the goddess Athene; at a later period the goddess herself takes its place—the owl afterward appearing on the reverse.

The so-called Republican, or earliest coinage of Rome, began at an early period of Roman history, and continued till about 80 B. C. Its standard metal was bronze, an alloyed copper. The standard unit of the coinage was a pound weight of bronze, divided into twelve ounces. The pound of bronze received a state impress as early as the reign of Servius Tullius, 578 B. C. This gigantic piece was shaped like a brick, and stamped with the representation of an ox or a sheep, the value of which they represented. The full pound was successively reduced, always retaining the uncial divisions, till its actual weight came to be no

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more than a quarter of an ounce. About the time the first pound weight was reduced to nine ounces, they began to be cast in a circular form, and exhibited on the reverse side the prow of a ship, and on the obverse the Janus biforms; the numeral "1" on the reverse side.

Silver was first coined in Rome about 281 B. C.; the earliest gold coinage about 90 B. C. The family coins began about 170 B. C. Those families who occasionally held office connected with the public mint acquired the right first to have their names inscribed on the coin, afterwards to introduce symbols of events in their own history. These types gradually superseded the national ones, the portraits of ancestors followed, then last and finally, the portrait of a living citizen, Julius Cæsar. It is thus that national traditions, so essential to the preservation of the national spirit, are sacrificed and lost, to gratify the vanity of ambitious individuals.

Under the Cæsars, gold and silver coins became the standard of money, and a ratio between the two metals was first established. The Bimetallic System, at the ratio of twelve to one was established by Cæsar about 48 B. C., and continued till 1204 A. D., nearly thirteen centuries. Under Augustus, Constantine, Justinian, and the other sovereign pontiffs, there was but one ratio and one system which was unbrokenly maintained; and this, notwithstanding the fact that surrounding states, India, Persia, Arabia, Moslem-Spain, the English Heptarchy, Friesland, Saxony, and Ethopia, maintained entirely different monetary systems based on widely different ratios between the same precious metals.

The Roman ratio of twelve to one was simply maintained by the fiat of government. It was not intrinsic worth that made the Roman coin money; it was the

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government stamp, "the image of Cæsar." The mistake that Rome made was in adopting the numulary system of Greece, the principle that money could be made only of the precious metals. Gold and silver became the tusks of the dragon. Hence the necessity for wars of conquest that they might increase their stock of gold and silver.

There was practically no change in the ancient theory and use of money till the fifteenth century. The principle that money is so much metal stamped by the state, and that it owes its value to the kind and the amount of material of which coins are made, is traced back to the Black Acts of James III. of Scotland, in A. D. 1467.

By Act of Parliament in England, in 1666, money was destroyed as a public measure, and reduced to a commodity basis by requiring so many grains and ounces of a certain fineness, and surrendering its regulation to private hands. This is what is called "private" or "free coinage." The theory of money as thus corrupted has since obtained universal acceptance; the same theory is to-day called "sound money." The system was conceived by money-lenders, a class who, previous to the year 1666, when the states controlled the prerogative of money, were comparatively poor and humble. Bankers and goldsmiths then waited upon their noble patrons in person, and obsequiously solicited favors; but when the royal voluptuary, King Charles of England, surrendered to them the prerogative of the crown, they changed from fawning sycophants to domineering masters, and through adroit legislation and court manipulation, fastened the new monetary system on all the governments of the world. This was the sowing of the tusks of the dragon.

Notwithstanding their number is numerically small, to-day, instead of being the obsequious servants of

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royalty, they probably own more than half of the garnered wealth of the civilized world. They are the creditors of the nobility and of the state; the great, struggling, toiling millions of the community are their money-driven slaves; their retainers have place in every department of government, every avenue of profit, every source of influence, whereby they are able to dominate the commercial world, and their great power threatens the peace and autonomy of states.

Though they have wielded the tremendous powers in the control of money with such inadequate perception of the equities and consequences involved, with such lack of scientific or financial skill, and in so narrow and selfish a spirit, that they have repeatedly plunged the commercial world into bankruptcy by inequitably confiscating to themselves the accumulated earnings of trade and production, either for their own selfish benefit or to save themselves from the effects of their own blundering, still they are looked up to as solons of finance; and the monetary commissions which have from time to time been appointed were principally composed of their representatives, notwithstanding the known bias of their selfish interests, their continual ill-management, blundering and contradictions of each other; all of which demonstrates that they are less competent to regulate money than the representatives of the people, whose patriotism should direct them in safer channels, to secure the stability of money and its equitable distribution.

Pliny termed "private coinage," "The crime against mankind." Such was, and such is the system which we borrowed from the Old World and sowed it, with the other dragon's teeth, to absorb the production of our country. It is a system which turned loose upon the world a Pandora's box of evils which every government has vainly endeavored to correct. The money

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question is the paramount question of all questions in every government on the earth to-day. In our own country, nearly every presidential administration has had something to do with the money question, and still it remains unsettled.

In the early history of the American colonies which afterwards united under the federal constitution to form the United States, various commodities, on account of the lack of money, were used as a medium of exchange: tobacco in Maryland and Virginia; furs of animals, notably the beaver, along the St. Lawrence and in the territory contiguous to the Great Lakes; coon skins, beaver skins, and many other commodities, in some instances, made legal tender by law, when they took on the correct aspect of money. Cows were at one time receivable for taxes in Massachusetts. There was very little money in the country. What was in circulation was mostly the Spanish milled dollars, and most of it was in the southern colonies, because contiguous to Spanish territory.

During the Revolutionary War, the financial condition of the colonies was most distressing. Up to the year 1779, the Continental Congress had issued bills of credit, known as continental money, amounting all together to \$200,000,000; and the people had so little confidence in their final redemption that by the end of the same year they had depreciated to sixty for one. With such a currency, it was hardly possible to carry on the war. Some of the unpaid soldiers mutinied, and were only induced to obedience by the vigorous measures of General Washington. The effect of this was to bestir the Continental Congress to extraordinary efforts to adopt some efficient means for the support of the army. Direct taxation was resorted to, money was obtained from abroad, and a national bank was established at Philadelphia, Pennsylvania. Robert

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Morrison, a wealthy citizen, who had given liberally of his own means for the conduct of the war, thus proving his unselfish patriotism, was placed at the head of the treasury, and by his able and timely exertions, greatly contributed to the final success of the revolution. But notwithstanding these supreme efforts, at the close of the war in 1782-83, the treasury was bankrupt, commerce was destroyed, business languished from neglect, and the army remained unpaid. The individual states were unable or unwilling to tax themselves to pay the national debt, and, as yet, the Congress was powerless to adopt proper measures for relief, because there was no federal constitution defining its powers.

Through the influence of General Washington the Congress paid to officers five years' full pay in gross, instead of half pay for life, as had been provided for by resolution passed in 1780, and the privates received four months' full pay as an installment of their claim.

CHAPTER XIV.

OUR NATIONAL MONETARY HISTORY.

Most of the thirteen states had agreed upon Articles of Confederation during the war; but five years elapsed before all the states gave their consent. When the Articles of Confederation were finally ratified in July, 1781, it was discovered that they had practically conferred but little power on the Congress; consequently the public creditors remained unpaid; for the Congress had no money and no authority to levy taxes. Its advice to the states to pay was unheeded or denied. When a peace was conquered, matters grew worse,

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and the embarrassment became so great that it was a matter of grave doubt whether the new-born republic would long survive.

The most bitter jealousies and political antagonisms existed between different states, which greatly interfered with commercial relations, and the independent or adverse measures separately enacted by their legislatures impeded business relations among themselves. The only thing that the states seemed to fully agree on was to give the Congress as little power as possible. The power to levy taxes is one of the fundamentally essential prerogatives of government; but they were especially averse to giving the Congress that authority, for the reason that they thought that to do so would jeopardize their hard-won liberties. Indeed, the people were not willing to submit to taxation, even when imposed by state authority.

When Massachusetts attempted, in accordance with the wishes of the Congress, to contribute its share toward the payment of the public debt and the support of the national credit, the popular dissatisfaction therewith broke out in open insurrection in 1786.

No government could long exist that had not the power to levy taxes for its support. Thoughtful men in the states saw that a stronger and more centralized government was a necessity if the Union of the States was to be established and preserved, and they brought about the calling of a convention to revise the Articles of Confederation. The convention met in May, 1787, and the federal constitution issued from their hands in the following September. By the end of the year 1788, eleven States had ratified it, thus securing its going into operation on the appointed day. On the fourth day of March, 1789, the constitution went into effect, and the old order of things expired. A republi-

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can government was established on the federal constitution as an experiment in the New World.

The electoral vote was not counted until the sixth of April, when it was found that George Washington had been unanimously elected the first President of the United States, and as such he was inaugurated on the last day of that month. In appointing the chiefs of the different administrative departments, he had the good judgment to appoint Alexander Hamilton secretary of the treasury, and directed him to report a system of finance; and in the month of January, 1790, he brought forward his plan.

This was to pay the national debt, which now amounted to \$54,000,000, the government to assume the State debts contracted during the Revolutionary War, and to do this by imposing duties on foreign goods and distilled spirits. This plan met with strong opposition, both in and out of the Congress, but was finally adopted, and its operation soon gave general satisfaction, for it established a confidence in the integrity of the country. To Alexander Hamilton is due the honor for the restoration of the national credit, and he fully merited the eloquent tribute paid him by Daniel Webster, who said of him: "He smote the rock of national resources, and abundant streams of revenue burst forth; he touched the dead corpse of public credit and it sprang upon its feet."

A bank charter bill was passed by the Congress February 25th, 1791; a national, or "United States Bank," was established in Philadelphia, Pennsylvania, the same year; and also a government mint. The provisions of the incorporation of the bank were formulated by Alexander Hamilton, who copied them from the Bank of England. Some of the principal arguments of Hamilton were that the organization of such a bank would aid the government in obtaining loans in

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sudden emergencies, by having the capital concentrated, would facilitate the payment of taxes by extending credit, and furnish a convenient medium for remittances from place to place of funds to meet the local needs of trade; which latter function would be further facilitated by the system of branches proposed.

The bank was to serve as the receiver and disburser of public funds, so that the money received from taxes would not be locked up awaiting the government's expenditure, but remain all the while in circulation. Hamilton showed how the incorporation of such a bank facilitated the government's fiscal operations, and established a stronger, more uniform credit and currency system for the whole country. The bank was to be governed by twenty-five directors. Small investors in the shares were protected by being given a relatively greater voting power, and no one was allowed to cast more than thirty votes. The notes and other debts of the bank (exclusive of deposits), were not to exceed the capital of the bank, the directors being liable for such excess.

Branches of the bank were authorized to be opened in any part of the United States, and the secretary of the treasury was empowered to require reports from the bank and to inspect the general accounts upon which such reports were based. The bank was not allowed to hold real estate beyond that necessary for offices, etc., unless acquired in satisfaction of pre-existing debt, and was prohibited from loaning money to the government in excess of \$100,000, or more than \$50,000 to any State. Loans to foreign princes or States were not allowed unless first sanctioned by the Congress.

Dealings in stocks and bonds were not permitted except to sell those it acquired at the beginning. The dealings of the bank were strictly confined to the nec-

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essary transactions of legitimate banking, such as bills of exchange and bullion, loans and discounts—and on loans and discounts it was forbidden to charge more than six per cent. The charter was to run for twenty years.

It appears that the secretary of the treasury never required any reports upon the condition of the bank during all the period of its existence, but his failure to do so was not the fault of the provisions in the charter; however, the bank seems to have been honestly and ably conducted, and was in many important particulars, the best banking system our country has ever had. It was of incalculable benefit to the government in its most trying days, and the country became generally prosperous during its operation, in which time the United States developed into one of the stable powers of the world, recognized as such by the nations, and its influence universal. In fact, the period covered by the two decades of the Hamilton United States Bank was one of unparalleled prosperity, when everything is taken into consideration. Agriculture was then nearly the sole industry. The country had first to recover the losses of an impoverishing war, and, being a new country, its credit and commerce were not firmly established with the nations. Much, of course, is due to the energies of the people; but much is also due to the wise foresight of the fathers of the republic in establishing a good system of finance. Especial credit is due to Alexander Hamilton, who, at the age of thirty-two, took charge of the treasury department.

Hamilton was incomparably the greatest of the country's financial ministers. No better system than his has yet been devised or put into practice; and no better system is possible based on the commodity theory of money. But instead of continuing this wise sys-

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tem, a renewal of charter was denied the bank, and it was even denied an extension of time in which to wind up its business. It was thus that the people and the Congress showed their appreciation of the bank and its eminent founder. With the destruction of the United States Bank, the country was thrown back on the headless, inadequately restricted, irresponsible State banking system.

The number of State banks rapidly increased—some of them beginning without any capital at all. Massachusetts imposed wholesome legal restrictions on its banking institutions, but in most of the States, there were no adequate legal restrictions, and bank failures soon followed as an inevitable consequence. The majority of the banks outside of New England suspended in August, 1814. The depreciation of southern and western bank notes was most severe. The note issues from some southern banks were discounted as much as twenty-three per cent. Lack of authoritative information on the part of the public caused them to be discriminated against by localities rather than between banks. Some of the notes of certain banks in Kentucky reached a maximum discount of seventy-five per cent. In one year after the United States bank was abolished, the Congress had to issue treasury notes to cover short-term loans; and altogether, during the period of financial difficulties that existed between the times that the first United States bank was abolished and the second bank established, the government issued in notes and bonds \$80,000,000. For these it actually received only \$34,000,000, a loss to the people of \$46,000,000, besides the interest.

Secretary Gallatin, in reviewing this period, avers that "had the charter of the federal bank been renewed, this loss, enormous for the country at that time, would not have occurred."

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Many of the members of Congress who had aided in defeating the renewal of the federal bank charter, began to see the mistake they had made. President Madison, who while a member of the Congress was the leader of the opposition, modified his views; and ex-President Jefferson, who, it appears, had begun for the first time to employ the powers of his great mind to solve the money question (hitherto he seems to have depended on Hamilton and others who were supposed to have given the subject special study), wrote to President Madison, advising him to propose the issuing of a government currency, \$20,000,000 annually, so long as needed, and to appeal to the States to relinquish the right to establish banks of issue. This appears to have been the first important suggestion for a government issued currency, and is all the more important because made by Jefferson, the great champion of States' Rights. The lives of the wisest men are too short to cover the whole field of knowledge. We are of the opinion that if Jefferson had lived a few more years, the country would have been still further indebted to him for the discovery of a scientific system of money.

President Madison, in his message to the Congress, referred to the absence of specie in the country, and the need of a substitute; that if the State banks could not furnish a uniform national currency, a national bank might do so; and that if neither could, "it might become necessary to ascertain the terms upon which the notes of the government (no longer required as an instrument of credit) shall be issued, upon motives of general policy, as a common medium of circulation." The exigency must have been great to have wrought this radical change in Madison's views. The general agitation of the subject caused public sentiment to crystallize in favor of the establishment of another

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national bank, which was carried into effect by the Congress.

The charter bill for the second United States bank passed the house March 14th, 1816, passed the Senate in April, and was approved by President Madison the tenth of that month. The bank was opened for business January 17th, 1817. The charter provisions were in most instances copied upon lines devised by Hamilton for the first United States bank. The capital was fixed at \$35,000,000, the government to take one-fifth of the stock (\$7,000,000), paying for it with its obligations in installments, the last one being paid in 1831. Of the remaining \$28,000,000, one-fourth was to be paid in specie, the balance to be paid either in specie or government bonds, in three equal half-yearly installments. No single subscription for more than three thousand shares was to be accepted, unless the full amount was not taken on the date fixed.

There were the same restrictions on voting shares as in the first bank, and the same number of directors; but now, the government having one-fifth of the stock, the charter required that one-fifth of the board of directors be appointed by the President. In lieu of making a loan to the government, as was provided in the charter of the first bank, the second bank was required to pay a bonus of \$1,500,000, and it was to act as the government's fiscal agent, including the transfer of funds without compensation. This feature was a marked improvement on the first charter. The deposit of public moneys was to be made in the bank or its branches, where they existed, unless otherwise directed by the secretary of the treasury, and when that officer gave such direction he was to report his reasons therefor, to the Congress.

The bank was empowered to establish branches anywhere, with a local organization, and it was required

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to have a branch in the District of Columbia, and in every state where as much as two thousand shares of its stock were held. Reports were to be made to the secretary of the treasury as often as required, and the bank was subject to his inspection and to that of committees of the Congress. The note-issuing function was more specifically provided for than in the first charter. The issuing of notes under five dollars was prohibited, and all notes of denominations under one hundred dollars were to be payable to bearer, on demand. Suspension of coin payments of notes and deposits was prohibited, and the violation of the prohibition made subject to a penalty of twelve per cent. per annum. All liabilities other than deposits were not to exceed the amount of the capital, unless authorized by the Congress, and directors were personally liable for any excess. The notes of the bank were to be receivable in all payments to the United States.

The provisions relative to holding real estate and speculating in stocks were the same in the second charter as in the first; but the officers and stockholders of the second bank very soon violated these provisions. It is a regrettable matter of history that the management of the second bank was in the beginning dishonest, and that some of the charter restrictions were grossly violated. A number of the officers and directors speculated in the stock of the bank itself, and the first two years showed a loss from this source of more than \$3,500,000. It was required in the charter that the bank should have \$7,000,000 in specie to begin with, but this requirement was disregarded, as the bank did business for the first two years with only about \$2,000,000 in specie.

A committee appointed by the House of Representatives investigated the affairs of the bank in November, 1818, and its report, made in February, 1819,

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published the violations of the charter provisions referred to above, but the offenders were never punished. The report on the bank was written by John C. Spencer, who afterwards became secretary of the treasury. This investigation had the effect to alter the management of the bank, and in March, 1819, London Cleves was made its president. Under his four years' able and conscientious management, the evils were corrected, and the bank became very prosperous.

When the second bank came into existence, the country was flooded with the depreciated notes of state banks, which were a serious obstacle, and could only be overcome by a general demand for coin payments. The bank restored coin payments at once, and the state banks were urged to resume specie payments. Finally, the federal bank negotiated an agreement with the state banks in the principal cities to resume specie payments. This proved exceedingly difficult, for the country was short of specie, and there appears to have been a premium on foreign exchange, in 1817 and 1818, causing the specie which was imported from abroad promptly to return.

The dearth of specie in the country influenced the state banks to continue their paper-note issues. The problem, though formidable, was at last measurably surmounted; but in doing so, the circulating medium in the country, which had largely consisted of redundant state bank notes, was reduced more than half, which was absolutely ruinous to the debtor class, and brought on "hard times." Loans were violently contracted, and prices seriously fell.

Secretary Crawford, asked by the House for his views on the advisability of a treasury note issue, strongly opposed the proposition, and his advice was followed. Much of the disturbance during this period

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was occasioned by the great fluctuations in exchange between the Eastern States and those of the South and West. The people of the Southern and Western States, whose pursuits were mostly agricultural, owing to their limited and widely scattered rural population, were placed at a disadvantage, which, in part, accounts for the unstable character of their banks, and the discount of their notes. Besides, the government constantly drew large sums from those sections, in payment for public lands, while the bulk of the government's disbursements were made in the Eastern States, which gave the people and the banks of the East a great advantage.

The federal bank appears to have honestly endeavored to relieve this condition by redeeming its notes at par, no matter where issued by any of its branches; but finding itself seriously embarrassed by this policy, so much so as to threaten its own suspension, it was compelled to admit a depreciation of some of its notes. But, be it said to the credit of the bank, that depreciation never exceeded one per cent.

The whole machinery of the state banks, with all the political influence they could command, was used against the federal bank. The statistics of state banks show it had been their general policy to organize banks mainly for the purpose of issuing notes, and then exert their political influence to obtain government deposits. The States were, in most instances, interested as shareholders in the state banks, which operated to prevent the exercise of any restraining power.

The charter violations by the first officers and directors of the federal bank were used as the basis of criticism, as well as the later practice of the bank in issuing what was called "branch drafts" to circulate as notes, and reporting them as such, which was clearly in violation of law.

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Another cause of the antagonism on the part of the state banks was the practice of the federal bank of presenting to the state banks for redemption the state bank notes which came into its possession, instead of paying them out in the regular course of business. The practice in several of the States became serious. Maryland insisted on taxing the federal bank, and the matter was taken up in the courts. The supreme court, upon appeal, settled the controversy by prohibiting State interference with the bank. Nevertheless, in Ohio the federal bank was declared an outlaw for resisting exorbitant taxation; Georgia passed a law virtually justifying creditors in refusing payment of debts to the bank; Kentucky passed "stay laws," practically relieving debtors to the bank of their obligations. The people were taught to believe that the practice of the federal bank in presenting notes of state banks for payment in specie was criminal, and that it was the duty of the bank to lend its capital to the state banks without interest.

But despite all this opposition and outcry, and despite the maladministration of the bank in the beginning, which seriously threatened to destroy it, the bank continued to flourish, and to demonstrate its superiority over state banks. When following the violent contraction of the currency in the years up to 1819, values at last became settled and readjusted, there succeeded a period of general prosperity and contentment among the people. James Monroe, who was then President, was universally popular, having in his election received every electoral vote. Party antagonism ceased, and it was called the "Era of Good Feeling." The people had been taught an expensive object lesson. The losses had been enormous. Between the years 1817 and 1821, one hundred and sixty-five state banks failed; but by 1820 the worst of

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the troubles resulting from the War of 1812, and the depreciated state bank currency, were over.

With the improvement of monetary conditions, industries began to prosper, and the finances of the government increased, enabling it to begin a reduction of the federal debt. The people, seeing and benefiting by all this, stopped their antagonisms to the federal bank; at the same time there was improvement made in state banking laws, and sounder principles of currency were introduced. In 1829 New York State adopted by statute what was termed the "Safety Fund System," which provided that the banks, in renewing their charters, might take advantage of the act to contribute to a joint fund for the redemption of notes and the payment of deposits of any of their number which might fail. It was left optional with banks as to whether they should adopt the system, and only a few of them adopted it. The system was in every way admirable, but it failed solely because no provision was made for its enforcement. This "safety fund" act of the State of New York, in 1829, is doubtless where Mr. W. J. Bryan borrowed the idea of "Guarantee of bank deposits."

The federal bank exercised a wholesome regulation of state banks, chiefly through the power given to it as the government's fiscal agent. State banks not in good standing found their notes rejected by government officers, and specie redemption required; but with state banks in good standing the federal bank established friendly relations, received their notes for government dues, and paid the treasury drafts with its own notes. The federal bank permitted some of the state banks to act as its agents at points where it had no branches. It carried large balances with such banks, and accepted their notes. As the business of the country improved, the strength and influence of

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the bank increased ; or, you might say with equal historical accuracy, that as the strength and influence of the bank increased the business of the country improved. The growth and prosperity of the second federal bank, after its recuperation from the first losses caused by maladministration, forms one of the most interesting chapters in the monetary history of the United States.

Hepburn, writing in "Contest for Sound Money," says: "The evidence is conclusive that the bank was, after reorganization by Cleves, and particularly under Biddle's regime, a strong institution, a valuable auxiliary to the government, a bulwark against rotten bank-note issues, a most serviceable instrument to the trade of the country, and in its international relations a protection to American industry and commerce."

The government conducted, through the instrumentality of the bank, its most important fiscal operations, whereby it was able to apply the public funds in any part of the country where most needed. The bank received the paper of the state banks paid on public accounts in the interior, placed the same to the credit of the United States as cash, rendering it immediately available wherever the public service required.

Such was the universal confidence in the soundness of the bank, that citizens of other countries, in trade with our own citizens, readily accepted the notes of the federal bank in payment of debts, and that much specie was kept at home that would otherwise have gone abroad. The bank gave to the nation a sound currency system, which operated as a stimulus to industry and gave stability to prosperity by preventing fluctuation in values, conserving alike individual and national wealth.

Knowledge of President Jackson's opposition to the

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bank came upon the country as a great surprise. As early as 1829, six years before the expiration of the charter, he recommended to the Congress that the bank be not rechartered. The supreme court had before this declared the act chartering the bank constitutional, but Jackson, in direct opposition to the court, attacked the constitutionality of the law, and suggested to the Congress the plan of another bank, founded on the credit of the government and its revenues, so devised as to avoid all constitutional difficulties, and at the same time secure to the government and to the country all the advantages that were expected to result from the present bank. The legislature of South Carolina took President Jackson's recommendation seriously, and immediately submitted to the Congress a plan for a national bank in line with its own state banking policy. One feature of this was excellent, but the other features were unsound and impracticable. The other States took no formal action. Both houses of the Congress referred the subject to committees; and both committees returned reports strongly defending the federal bank, and this notwithstanding they were composed of Jackson's friends.

At the same time every member of Jackson's cabinet, except one, was against him in his banking policy, and in favor of the federal bank. But Jackson kept renewing his attacks on the bank with that persistency which characterized him in all his public acts, and the question of rechartering the bank soon became a political one on which parties were divided. The state banks maintained a lobby at the capital, a kind of secret cabal called the "Kitchen Cabinet," headed by Amos Kendall, who afterwards became postmaster-general.

The public was kept in ignorance of these secret

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influences. The working up of a public sentiment against the bank was most adroitly done. It appears now, in the light of history, that the main ground of Jackson's opposition to the bank was the fact that he regarded it as his own personal political enemy. In pandering to the demands of the state banks and their friends, he expected from them (not without reason) a stronger political support. In this he was not disappointed, as is proved by his reëlection to the presidency, and later the selection of Van Buren as his successor. The administration of the bank was open to criticism in some particulars, and its enemies magnified those faults, and used them to attack the bank itself.

A bill for rechartering the bank, containing provisions intended to correct existing faults, passed both houses of the Congress in the summer of 1832, but was vetoed by President Jackson, July 10th, 1832. Jackson, by this time, had enough of adherents in the congress to sustain his veto. The main reason which he assigned for his veto was his alleged unconstitutionality of the first charter, this notwithstanding that the supreme court had declared it constitutional ten years before. He took the singular position that his oath to support the Constitution bound him to support it as he himself construed it, and not as interpreted by the supreme court. In the national campaign which followed, Jackson's veto was used to secure his reëlection. The friends of the bank were equally active against him.

Unfortunately for the bank, its president, Biddle, was influenced by personal interest to take an active part in the contest, which gave color to the demagogical charges of the opposition that the bank was a "monopoly," and that with its "great wealth" it was "endangering the liberties of the people," and con-

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firmed the distrust in the popular mind. The result was that Jackson, the popular hero of the War of 1812, was reelected by a greatly increased majority. Thus encouraged and emboldened by his popular endorsement, he recommended in his message to the Congress, December, 1832, that the government deposits be transferred to the state banks, and that the government's shares in the stock of the bank be sold.

Soon after this a special examination of the bank was made under the direction of the secretary of the treasury, McLane, which developed the fact that the bank was found to be perfectly solvent, and that the government's deposits in it were absolutely safe. Upon this showing, the House of Representatives refused, by a vote of 109 to 40, to sell the government's shares of stock. Thus again was Jackson's recommendations turned down. It would seem that he would have thereafter desisted from further opposition; but not so with Jackson. It was to him as if he were fighting a duel with the bank, and opposition, no matter how formidable, only strengthened his determination to kill it. All the forces on his side were organized for further campaigning, and after the adjournment of the Congress, Kendall and his associates vigorously renewed the work of bringing about the utter destruction of the bank. Among the plans devised and acted upon was the one to take advantage of the provision of the law authorizing the secretary of the treasury to place the government moneys elsewhere, provided he explained his reasons to the Congress at its next meeting.

Polk, in the minority report in the Congress, expressed serious doubts as to the safety of the public funds. He, like Jackson, was pandering to the state bank influence, for popularity. Jackson ordered Secretary of the Treasury Duane to remove the govern-

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ment's deposits to the state banks. Duane flatly refused to do it, declaring such action unconscionable, and opposed to the expressed will of the Congress. Whereupon Jackson promptly removed him and appointed Taney in his place. The plan at first adopted was to place government revenues as received in state banks, and to draw on the federal bank for all disbursements. Later, deposits were actually transferred.

The bank, thus speedily deprived of one-half of the public money, its total deposits greatly reduced, was obliged to curtail loans, causing a money stringency—and for that it was likewise attacked. Kendall, in a published letter, stated that the bank continued to exist only by Secretary Taney's forbearance, and apparently gave it only a forty days' lease of life. The former custom of advising the bank in advance when treasury drafts were to be made was discontinued, and large drafts were made without previous notice, with the apparent object of causing a run on the bank.

When the Congress met in December, the Senate refused to confirm Taney's nomination, and Levi Woodbury became his successor. The Senate, still anti-Jackson, passed a resolution declaring that President Jackson had exceeded his powers in his actions relating to the public revenues; but the House of Representatives was now become strongly Jacksonian, and voted, 132 to 82, that the bank ought not to be rechartered. A committee appointed by the house to again examine the bank, returned majority and minority reports—the majority report in opposition to the bank, the minority report strongly in its favor. In the Senate Jackson's nominees for government directors of the bank failed of confirmation.

Jackson, in his annual message to the Congress in December, 1834, characterized the bank as "The scourge of the people," and repeated all of his former

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charges. He recommended the sale of the government holdings of stock, and the repeal of that part of the charter making the bank's notes receivable for public dues. He averred that events had proved that the bank was unnecessary, and that the state banks had been found fully adequate to serve the government and would soon be in position to supply all the wants of the people. In his last message, in December, 1836, he made the statement that the services of the state banks to the government were far greater than those formerly rendered by the bank; but at the same time he criticised the state banks for speculating in public lands, and their unwarranted inflation of note issues, which had expanded fully fifty per cent.; nevertheless, the public moneys deposited with them were considered safe.

In his farewell address, March, 1837, Jackson took a final shot at the federal bank which he had destroyed, and then attacked the entire currency system, banks generally, the "monied interests," as menacing the liberties of the people. Secretary Woodbury's report in 1836 contained the confession that the state banks were speculating with the public deposits, and using the same as a basis for increased note issues. Speculation in public lands assumed tremendous proportions, and the government, in accepting state bank notes in payment, sustained great loss. The Congress was asked to restrict the payment of public funds to specie; but as the Congress adjourned without doing so, Jackson had a treasury circular issued, requiring specie for land purchased. This caused a violent collapse in land speculation, one of the principal sources of revenue to the government.

This order of Jackson's promulgated through the treasury department, and his criticism of the conduct of the state banks so soon after his declaration that

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they were serving the government in a more satisfactory manner than the federal bank had done, is proof that his first statement was ill advised.

The Act of June 23rd, 1836, regulating deposits, directed the secretary of the treasury to select in each state banks which in his judgment were in a satisfactory condition in which to deposit the government revenues, subject to treasury drafts. The amount that might be deposited in any bank was not to exceed seventy-five per cent. of its paid-up capital. The banks so selected were required to report their condition periodically to the secretary of the treasury, to credit all government deposits as specie, and to make transfers of funds and perform such other functions as the federal bank had been required to do by charter.

The secretary of the treasury was empowered to require further security from the banks, if in his judgment, he deemed it necessary. He was required to report his selections—or changes in depositories to the Congress, to discontinue depositing in banks that had suspended specie payments, or that had issued notes under five dollars, and to receive for public dues no notes from banks that issued notes in denominations less than five dollars. He was given authority to require depository banks to have and to keep a reasonable amount of specie on hand. For deposits in excess of one-fourth of the capital, banks were required to pay two per cent. interest, and the banks were subject to examination.

The transfer of deposits, except on account of public business, was positively prohibited. The same act provided that the surplus in the treasury in excess of five million dollars be deposited with the States in proportion to their representation in the Congress, in four equal installments, beginning June 1st, 1837, pro-

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vided the States made arrangements to officially receive the money and pledge themselves to return it on demand of the secretary of the treasury. The first three installments were paid, amounting to \$28,101,-644. The fourth installment was never paid, because by that time there was no surplus to divide. The first three installments, as stated above, deposited with the States, is still on deposit, and will be to the end of time.

It is a curious fact, and one not generally known, that those deposits are still carried on the treasury books as "unavailable."

The depository act, in bringing a number of banks throughout the country under control of the treasury department, thereby adding to their importance, should have had a regulating effect on the other banks; but it came too late. Jackson's "specie circular" deprived the country of whatever good results might have been expected from it.

As before noted, when the federal bank was destroyed, a very large number of little state banks sprang up, like mushrooms in the night. These state banks issued a great deal of paper money as bank notes, but they had very little gold and silver. This paper money could be easily borrowed, and the people began to buy land and to pay for it in bank-notes. Most of this land was bought from the government, and when the government, as ordered by Jackson's treasury circular, refused longer to receive bank-notes in payment, and demanded gold and silver, a rush was made on the banks for specie, which they could not meet, and a great financial crash followed, with its widespread distress. Thousands of sturdy pioneers, who were wresting homes with the woodman's axe from an inhospitable wilderness, saw the patient earn-

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ings of years ruthlessly swept away. Failures in business amounted to hundreds of millions of dollars.

In 1836, when the federal bank ceased to exist, as a national institution, on account of limitation of charter, the government was entirely out of debt, and had besides \$37,000,000 in the treasury; an eloquent tribute to the integrity of the men who up to that time had managed the fiscal affairs of our government. Will such ever be the case again?

In one year after the federal bank ceased to exist, the government was in debt, and the Congress authorized the issuance of \$10,000,000 in treasury notes, which was only changing the form of the debt, for these treasury notes were credit obligations against the government. And the indebtedness has at various times since then been added to under different necessities and pretexts, by subsequent bond and note issues, till to-day the national debt has reached the enormous sum of four billion dollars.

Jackson was, and remains, the peoples' idol. The fortunes of war first placed him on the pinnacle of popular favor. That he was honest and courageous, is universally conceded, but his convictions were influenced by unreasoning prejudices. He possessed a violent temper, which would brook no opposition; in a contest with an enemy he never relented; and certainly his financial ideas were crude and ill-digested.

Fortunately for his own administration, he retired to private life before the main fury of the financial storm which he had raised reached its maximum.

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CHAPTER XV.

ESTABLISHMENT OF THE SUBTREASURY.

Van Buren, the favorite of Jackson, came into the presidency in the great panic year of 1837. It was impossible that the ruinous conditions of that year could long exist, and in another year's time the worst was over; but during that time, the violent contraction of the currency, the great fall in values while the amounts of debts remained the same, brought financial and business ruin upon the debtor class.

Of course, after the worst was over, after the period of liquidation which overwhelmed debtors had spent itself, there was a gradual readjustment of values to meet the changed conditions, and business began slowly to revive.

Van Buren, having been taught by an object lesson the danger of putting government money into state banks, proposed that the Government should have a national treasury, with branches in the States, designated as subtreasuries, for the future safe-keeping of the public funds. This, known as the "Subtreasury Scheme," was adopted in 1840, given up in 1841, and adopted again in 1846. It is the system now used by the Government.

Scarcely had Van Buren taken his seat when the financial storm which had been gathering burst upon the country. Merchants everywhere failed, banks suspended, debtors were bankrupted. Eight of the Southern and Western States were unable to pay their

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debts, and two of them, Florida and Mississippi, repudiated their state debts altogether.

The nation itself was at the verge of bankruptcy. Something had to be done. Van Buren evolved the "Subtreasury Scheme," which remains his monument. Its continuation, even in the supposedly more enlightened present, appears to confirm the wisdom and statesmanship of its founder; but Webster declared the subtreasury plan "a conception belonging to barbarous times, leading to the hoarding of money, keeping from general circulation and use the sums which the Government should receive to-day only and pay out again to-morrow."

During the panic years following 1836, the treasury note issues and reissues amounted altogether to \$31,000,000, and at times they were below par, but at other times commanded a premium of five per cent.

CHAPTER XVI.

REVIEW OF STATE BANKING.

After the lessons taught by the experiences of 1837-38, many of the States passed wholesome laws for the correction and control of their banks. But in most instances where the States were stockholders in the banks, politics were allowed to corrupt their management to the great detriment of business interests. Bonds issued by the States to capitalize such banks made public debts which the people had to pay in the only way such debts are ever paid—taxation. There were, however, some very notable exceptions. Delaware and South Carolina had very successful state banks; and the state bank of Indiana surpassed them

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all in excellence of system and management. It was copied in a large degree after the first United States bank, which was devised by Hamilton. It was chartered for twenty-five years. The State of Indiana owned one-half the stock, individual citizens the remainder, all required to be paid in specie.

The State issued bonds to raise its part of the funds, and also advanced to individuals subscribing, sixty-two and a half per cent. of their subscriptions, taking a lien upon their shares and real estate, as collateral security. The president and four directors of the parent bank were chosen by the Legislature, and one director was chosen by the private stockholders of each branch.

The assets of each branch belonged to its shareholders exclusively, who exercised control subject to the parent board at Indianapolis, which alone could declare dividends. Each branch being charged with the management of its own affairs by its own local board, subject to the supervision of the parent board, created a healthy rivalry among the branches to make increased earnings, and operated as an incentive to energy and conservatism. Each branch was liable for the debts of every other branch, and in case of insolvency, liquidation of indebtedness was required to be made within one year.

This induced an interested if not a jealous watchfulness of each other, and a most vigorous and intelligent system of examinations and supervision by the central board. Loans exceeding five hundred dollars could only be made by five-sevenths majority of the board, the name and vote of each director to be entered in the minutes. Officers and directors could not vote upon a proposition in which they were financially interested. Directors were made individually liable for any loss resulting from loans in violation of the law, unless they could prove that they voted in opposition.

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Favoritism in loans to officers and directors was forbidden.

The insolvency of any branch was presumptively fraudulent, and unless the fraud was disproved, the directors were liable without limit for the debts. If, after their estates were exhausted, any indebtedness still remained, the other stockholders were liable for an amount equal to the par value of the stock. Any director, in order to protect his estate, must be prepared to prove good faith. Directors were not allowed to make loans on their own stock. The debts to or from any branch could not exceed twice the capital. The effect of this provision was to limit the circulating notes to twice the capital.

Rediscounts or loans by banks at that time were very uncommon. No bank would borrow money from another bank and pay interest on the loan, when it could issue its own circulating notes without interest. Each branch was required to redeem its notes in specie, on demand, and was compelled to receive the notes of all other branches without discount. The notes were signed by the president and issued to the branches by the parent bank. Discounts were not allowed to exceed two and one-half times the capital. Monopolization was prevented by restrictions on voting shares.

The Indiana state bank was liquidated at the expiration of its charter, netting stockholders, \$153.70 to the share, in addition to good dividends which had been paid, regularly. The State of Indiana realized from the bank a net profit of \$3,500,000.

Our excuse for giving so extended a description of this bank is that the system was in most respects ideal as applied to the present theory of money. In the Indiana bank there was an independent ownership of assets, but a joint liability for debts. The branches,

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though widely separated, were woven together in one harmonious whole, demonstrating the advantages and efficiency of a branch banking system. It demonstrated the safety and efficiency of asset or credit currency when administered by competent management on sound principles.

Of course every asset or credit currency, for the very reason that it is a credit currency, and therefore more or less subject to private manipulation, fails to perfectly and equitably distribute the benefits of production, and is liable at any time to sudden contraction by forced liquidation and the consequent demoralization of values.

The Bank of Indiana presented the ideal form for supervision and examinations. The examiners were expert bankers and accountants, judges of credits, and able to make a complete inventory of assets and liabilities; acquainted with the conditions of localities where the branches were situated, and therefore better able to judge when the rules of prudence had been infringed.

The State of Louisiana, in 1842, enacted a state banking law, in which the sound principles of banking, derived from experience, were embodied. The system was similar to the Indiana bank, and continued in successful operation till the Civil War.

The State of Ohio, in 1845, organized the State Bank of Ohio, patterned after the Indiana bank. The Ohio bank was well managed and very successful. It ceased to exist, however, with the expiration of its charter, in 1866.

This practically covers the period of state banking. Great improvements in banking laws and management had been made; but it was impossible for the circulating notes of state banks to meet the needs of a national currency. The present national banking sys-

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tem having gone into effect, state banking became less profitable, and therefore less desirable.

A bill was passed by the Congress for the establishment of a National Central Fiscal Bank, to be located in the District of Columbia, with a capital of \$30,000,000, of which amount the United States was to have two-tenths, and the States three-tenths, to be paid for by the United States in place of the "fourth installment of the surplus," not yet distributed, and to which the States thought they had a legal right. Branches were to be located in the States unless they dissented. This bill was promptly vetoed by President Tyler, in August, 1841.

The essential features of the bill were admirable, but Tyler vetoed it on the ground that it was unconstitutional to authorize branches in the States without their consent. The expressed will of the people at the polls for a federal bank and a uniform currency, was defeated by the action of a party asserting the extreme of State Sovereignty, and minimizing the federal power.

A second bill was drawn and submitted to Tyler for his approval, which it is claimed he gave; but in the meantime, Tyler, who was of a vacillating disposition and had few settled convictions of statecraft, was accused of currying favor with the Democrats; and when the bill was passed by the Congress, September 3rd, 1841, he vetoed it also, and the party in the Congress favoring it were not strong enough to pass it over his veto.

This last act of Tyler's caused all of his cabinet to resign except Webster, whose patriotism persuaded him to remain for some time in order to complete certain important negotiations then pending with foreign countries.

At this time, with the Subtreasury Act and the De-

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posit Law of 1836 repealed, the treasury was left largely to its own interpretation of what was expedient, and fell back upon a system in use prior to the establishment of the First United States Bank, which was a sort of independent treasury and half-bank deposit system. At this time, too, the treasury was compelled to borrow money to meet public expenses.

The Democrats won in the Congressional election of 1842, but the Senate remained Whig, so that financial legislation was blocked.

The inability of the treasury to meet the expenses of government, on account of insufficient revenue, made it necessary, in 1843, to ask the Congress for authority to issue more treasury notes, and in all \$43,000,000 were issued and used.

Polk, one of the leaders in the destruction of the federal bank, became President in 1844, and was consistent in that he continued to oppose the policy of a national bank.

Tyler's plan, as outlined in his later messages, was to continue the issue of treasury notes, secured by a specie reserve. Polk's plan, as described in his message to the Congress, December, 1845, was the establishment of a "Constitutional Treasury," that would divorce the Government from the banks absolutely, and prevent them from using the public moneys for private gain. Bank notes were to be excluded from the public revenues. Thus, some of the party leaders claiming to be for one thing and some for another, a perfectly chaotic condition existed. The failures to establish a national bank on account of Tyler's vetoes, seemed to create the impression on the public mind that one was not to be established under any circumstances. They therefore turned their attention in other directions in search of more feasible expedients. The one definite crystallized idea was to protect the

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Government's moneys; for it had been demonstrated that the state banks were not to be trusted; yet the device was to be such as would not in the least interfere with the state bank currency, under the plea that Congress had no constitutional power over the same. The adherents of the institution of slavery feared that if Congress was conceded the constitutional power to regulate currency, it might afterwards assume the power to interfere with slavery.

Polk's measure was passed by the Congress and received his signature as President August 6th, 1846. The act was simply an experimental expedient to provide for the safety of the government revenues. Its chief features were the prohibition against depositing the public moneys in the state banks, or disposing of them in any manner other than in the payment of treasury drafts and transfer orders. All government revenues after January 1, 1847, were to be paid in specie or treasury notes, and severe penalties for disregard of the act were imposed. It was found impossible, however, to fully carry out the provision for specie payments, especially in post offices; but on the whole, Secretary Walker declared himself as highly gratified with the result.

Another issue of treasury notes to the amount of \$20,000,000 was made to pay the expenses of the war with Mexico, which began in 1846. These treasury notes entered into circulation as money. The Government resorted to bond issues, also, at this time, to be used in part to fund the notes above mentioned.

Both President Polk and Secretary Walker pointed with pride to the success of the "Constitutional Treasury," claiming that it had prevented inflation and suspension during the war period, and had enabled the Government to sell its bonds at a premium.

History reveals the fact that during the period of

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state banks, whenever specie payments were suspended, a marked increase in the number of banks occurred, because at such times the profits on circulation were large, and the liability small.

From 1837 to 1840 the number of banks increased one hundred and thirteen, and the nominal capital increased \$68,000,000. By 1843 the resumption of specie payments had become general, the number of banks had diminished two hundred and ten, and the nominal capital had decreased \$130,000,000. Bank-note issues, which had aggregated \$149,000,000, now amounted to less than \$59,000,000. The liquidation of the paper currency had reduced the per capita circulation from \$13.87 to \$6.87. The large number of business failures were without precedent in the country's history. The estimated losses during the period were nearly \$800,000,000. The many who had contracted debts in the purchase of lands, of stock and implements and furnishings, for business extensions and improvements, now discovered that their ability to pay those debts was reduced just one-half. Bankruptcy overwhelmed the debtor class.

In view of the condition of the state banks, the Subtreasury Act was a proper measure; for it secured the safety of the public funds and saved the credit of the Government. Following the year 1850 there was a general improvement in state banking. Deposits of public money, which had hitherto encouraged speculation, had been eliminated, with the consequence that legitimate commercial banking increased. The banks became much more conservative in the issuing of currency. Laws were passed by the State Legislatures placing severe restrictions upon banking. In some of the States this was done by constitutional amendments. After a time, though, this rigidity was relaxed, and increased bank-note issues were reported

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from nearly all the States. One reason for this, however, was the scarcity of silver coin, which made notes of small denominations a necessity for use by the people in the every-day transactions of petty trade.

Many States adopted the New York "Free Banking" and "Bond Deposit" plan. State bonds, railway bonds and miscellaneous securities, were used as the basis of bank-note issues, and when these securities depreciated, as in most instances they did, losses were entailed upon note-holders. Many of the banks reported no deposits and no specie, therefore the bonds deposited to secure the circulation of such banks were all the protection note-holders had. But many of the States now required by law that banks regularly report their condition. In the school of costly experience they had acquired a better understanding of the banking business and its proper conduct, and many evils were corrected. Compulsory specie reserve laws were enacted in the New England States, which, supplemented by other wise legislation, served to maintain prompt redemption and a safe bank currency, acceptable almost everywhere in the Union. In the year 1858 the Suffolk Bank made over the specie redemption of notes to the "Bank of Mutual Redemption," organized for the purpose by the country banks.

The "Boston Clearing House" was established in 1856. The New York State Banking Department was established in 1851. The Metropolitan Bank of New York was established to act as a central redemption bank in the same year. These circumstances led to the establishment of the New York Clearing House, in 1853, which operated to bring about a much more stable and secure system of paper currency.

In the metropolis, weekly reports were required to be made to the clearing house by associated banks, and in 1858 a fixed ratio of cash to be held as a reserve

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against deposit liabilities was agreed upon. Clearing house checks began to take the place of currency to a considerable extent. Under the voluntarily imposed restrictions and the clearing house system, the associated banks became strong and influential. The principal use of the clearing house system is to reduce the amount of actual cash required in exchange. At 10 a. m. every day each bank sends to the clearing house all the debit items it holds against all the other banks, and gets a receipt from the clearing house for the same. Each bank is charged by the clearing house with all the debits against it by the other banks; and if a bank has a balance in its favor, the difference is paid either in cash or a clearing house receipt. If the difference is against the bank, the bank must pay it in cash. The system, besides minimizing the use of actual cash, removes the risk of sending so much money about the streets, and reduces the expense of messenger service and bookkeeping. Settlements, often involving thousands of dollars, are made at the clearing house in less than an hour, and all credit balances are paid by 1:30 p. m.

The clearing house fixed a cash reserve basis, and each of the associated banks was pledged to its maintenance. The public was taken into confidence by publishing each week the standing and showing of each bank. This helped to build up a sense of moral responsibility to the public on the part of the banks throughout the country.

Philadelphia banks organized a clearing house in 1858. The State of Pennsylvania enacted a redemption law similar to that of New York, which prohibited the use of notes under five dollars. The latter provision was embodied in the laws of Maryland, Virginia, Alabama, Arkansas, Louisiana, Kansas and Missouri; the main object of which was to enforce

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the use of gold and silver in the smaller transactions of the people; but the people continued to demand small notes, and depreciated bank-note issues still flourished.

A national banking system is the only means yet discovered that will put a stop to irresponsible note issues. The reports on banks and banking at that time show that, added to the large amount of depreciated or worthless bank notes, was an ever-increasing amount of counterfeit notes. The laws regarding the redemption of notes were not enforced. Those who demanded specie payment from the banks were in many places regarded as enemies to the community, and it was an insult to bank officials to demand specie redemption.

The Subtreasury Act had little influence on the currency. In 1853-54 Secretary Guthrie used the surplus revenue in the purchase of bonds at an unwarranted premium. On one occasion he paid as high as twenty-one per cent. premium. His excuse for this was that he deemed it necessary to relieve the money stringency and avert a panic.

The banks, during the period prior to 1857, became heavily interested in railway construction, which at that time assumed extensive proportions; thus a large part of their means was tied up in loans made to the various railway companies. This has been by some regarded as the chief cause of the money crisis of 1857; but the fact is, it was only contributory. The real cause for the crisis was that for the seven years preceding, the country's imports exceeded its exports by the enormous sum of \$300,000,000, and \$250,000,000 of this vast sum was sent abroad in net exports of specie. Notwithstanding the millions in gold which had been mined in California, all of it, and vastly

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more besides, had been shipped out of the country in a perfectly golden stream across the Atlantic.

Added to this, the years of 1855-57 were years of liquidation, and a general run was made on the banks for specie. When the specie was exhausted, bank after bank suspended, securities fell enormously, and the panic of 1857 was precipitated. The panic was in part brought on by the action of the banks themselves. None knew as well as they the impossibility of specie redemption of the inflated bank-note issues with which the country was flooded, hence they became suspicious and distrustful of each other, and began to call in their loans. They could not force the collection of loans made to railroad companies, so they forced collections from each other, and from the merchants. The New York banks were bound to specie redemption by state law; but the courts had previously decided that the law against suspension was not applicable so long as the bank was not insolvent, and the New York banks were among the first to suspend. The New York banks had for years been the monetary center of the country, and though they had an immense banking capital, they were subjected to a steady drain of their specie by the subtreasury, in the collection of large revenues, and constantly pressed to make loans. They began in August, 1857, to call in outstanding loans, and to refuse applications for new ones, endeavoring in that way to avoid suspension.

The telegraph, only lately come into use, speedily advised the country of these things, and the people took alarm at the unsettled conditions. An awful struggle among note-holders ensued. Notes on country banks were rushed in for redemption, causing the country banks to fail one after another, and each failure and the losses was telegraphed over the country,

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adding to the panic. Bank shares, which sold at par, fell more than sixty per cent.; stocks fell from ten to forty per cent.; and foreign exchange broke ten per cent.

The treasury began early in the year to buy government bonds in small amounts, and the banks looked to it for further assistance; but the money paid out in the purchase of bonds was offset by the withdrawal of deposit accounts, which it occasioned, so that the treasury department helped to precipitate what it sought to avert.

The reduction of \$40,000,000 in government deposits in the New York banks in ten weeks so diminished their specie fund that they were forced to suspend October 14th, 1857. Following the suspension of the New York banks, most of the others outside of Indiana, Louisiana and South Carolina, went down with a sudden crash, and the wreck was complete. The devastation wrought was comparable only to a mighty storm that levels everything in the pathway of its irresistible course. Over 51,00 failures were recorded, with liabilities aggregating more than \$300,000,000; imports diminished immediately, prices of stocks and of all commodities fell ruinously. Many cargoes of goods which came from abroad returned without unloading.

Attention is called to the fact that the aggregate of business losses totaled a sum very nearly the same as the adverse balance of trade had been with foreign countries, demonstrating that no country can long support a large adverse trade balance.

The exchanges at the New York clearing house diminished forty-three per cent. The banks had \$445,000,000 specie obligations in notes, and only \$58,000,000 in specie for their redemption—about one to seven. It is easy to see how impossible it is to pay seven

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dollars with one dollar, and that is the complete explanation of what brings on a money panic. Liquidation has preceded every panic the country has had. We claim to have a convertible currency when it is not, and every serious attempt at conversion is sufficient to precipitate a panic; then the consequent vacuum made in the volume of circulating medium has to be filled by treasury notes.

The treasury notes issued before the Civil War were as follows:

BY THE CONTINENTAL CONGRESS.	
June 22, 1775.....	\$ 2,000,000
July, 1775.....	1,000,000
November, 1775.....	3,000,000
BY THE UNITED STATES CONGRESS	
1776	\$ 19,000,000
1777	13,000,000
1778	63,000,000
1779	140,000,000
1812	37,000,000
1837	31,000,000
1846	20,000,000
1857	52,000,000
Total.....	\$381,000,000

In addition to the above, under Act of Congress in 1812, \$43,000,000 in bonds were issued. Of this large indebtedness, the nation, at the beginning of the Civil War, still owed \$76,000,000, and the most of this debt was created in times of peace.

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CHAPTER XVII.

UNITED STATES MONETARY HISTORY DURING AND SUCCEEDING THE CIVIL WAR.

The vast sums required for the prosecution of the Civil War could not be provided by taxation or by direct loans, and the alternative was bonds or treasury notes. In the Senate the first discrimination was made in favor of the bondholder by inserting a clause in an act which was passed, providing for the payment of interest on bonds in coin, and, as Stevens said, "Depreciated at once the money which the bill created."

The faces of the existing government notes at that time bore the simple statement that the "United States will pay to bearer dollars." Only a few of these notes were converted into bonds, and coin, which was before at a premium of four and three-fourths per cent., fell to one per cent.; but, by the middle of the summer of 1861, the premium on specie began to advance, rising above four per cent., till in June, 1861, it was nine and one-fourth per cent., and by 1863 it was thirty-four per cent.

President Lincoln, in his message to the Congress, in December, 1862, said: "The suspension of specie payment by the banks soon after the commencement of your last session, made large issues of United States notes unavoidable. In no other way could the payment of troops, and the satisfaction of other just demands, be so economically provided for. The judicious legislation of Congress, securing the re-

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ceivability of these notes for loans and internal duties, and making them a legal tender for other debts, has made them a universal currency; and has satisfied, partially, at least, and for the time, the long-felt want of an uniform circulating medium, saving thereby to the people immense sums in discounts and exchanges."

The premium on coin rose as high as seventy-two and a half per cent. in January, 1863, but receded by March to thirty-nine per cent. Non-interest bearing notes ("greenbacks") were issued on the credit of the United States, and made a legal tender for all debts, public and private, except import duties and interest on the public debt.

By June 30th, 1864, there were in existence \$650,000,000 legal tender notes of all kinds. The interest-bearing notes were not all in circulation, being held in banks as reserves.

In 1863 the premium on gold rose to eighty-six per cent. The Congress passed an act, June 17th, 1864, forbidding all sales of gold on foreign exchange on "time" contracts, and prohibited brokers from selling gold anywhere except at their offices, thereby hoping to break up the "gold exchange." The result, contrary to all expectation, was a rise in the premium to the enormous figures of one hundred and eighty-five per cent. The act was repealed July 6th, 1864. This short period sufficed to convince the Congress of the futility of attempting to regulate the premium on gold by legislation. But it only convinces us of the existence of a gold syndicate, the strength of whose alarming power may be traced to the discriminatory clause inserted by the Senate, making the interest on bonds "payable in coin," which was afterwards to be changed to "payable in gold."

The immense debt of the United States was first

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made a "coin" obligation, meaning both silver and gold, which had been defined by act of the Congress as "lawful money of the United States."

The national indebtedness rested an awful burden upon the people, which they would have to pay, principal and interest. The advancing premiums of gold show that the "gold conspiracy" was taking shape, and the ruinous tax on production, as measured in gold, which would in the future be required of the people in the payment of the national debt, was clearly indicated.

At the close of the Civil War, the national debt had grown from \$76,000,000 to the almost inconceivable sum of \$2,845,900,000. Of this colossal debt, \$1,109,600,000 was for bonds. The annual interest on these bonds and on the interest-bearing legal tender notes, was \$150,000,000, or twice the amount of the national debt at the beginning of the Civil War. Of the total debt at the close of the war, \$433,200,000 was in the non-interest bearing legal tender notes. Of course the Government was pledged to their redemption; but since they drew no interest, there was no chance for the portion of the national debt to increase. How could there be any breach of good faith on the part of the Government for their non-redemption when no such demand was made by the people? These United States notes ("greenbacks") had become the peoples' money. There was no interest to pay on them. Why then should the Government force their redemption, and convert what had been the peoples' money and a non-interest bearing debt into an interest-bearing debt, which the people would have to pay?

What difference to the advantage of the government between the people holding this obligation against it without interest, and the bondholders, with interest to pay? The Government could only get the

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specie for their redemption by selling bonds, and the proposition was therefore to change the debt from non-interest bearing notes, used by the people as their money, to interest-bearing bonds which could not be used by the people as money.

For the Government to have redeemed these notes with specie received from customs duties and internal revenues without the issuance of bonds, would have been proper, at least not objectionable; but the issuance of bonds to secure their redemption was a fraud and an injustice upon the people. Can the reader answer the question, why bondholders are preferable creditors to the people?

Secretary McCulloch, in 1866, estimated that \$350,000,000 in United States bonds were held abroad. By 1867, the United States notes (greenbacks), outstanding, had been reduced to \$356,000,000. President Johnson, in his message to the Congress, in 1867, favored measures looking to the resumption of coin payments, but he added, "a reduction of our paper circulating medium need not necessarily follow." In the same message he spoke of the injustice of paying the bondholders in coin, and other creditors in depreciated paper.

Secretary John Sherman, in 1868, in deference to public opinion, expressed the propriety of paying bonds in "greenbacks" and stopping further contraction. In February, 1868, an act was passed prohibiting further contraction of the currency by retiring notes.

National honor demanded the payment of the national debt according to the letter and spirit of the laws under which it was contracted; but neither national honor nor sound economic policy demanded the substitution of coin obligations for obligations that had not that stipulation.

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From 1866 to 1868, two years, the amount of United States bonds held abroad had more than doubled, increasing from \$350,000,000 in 1866, to \$850,000,000 in 1868. The interest on this, about \$24,000,000 a year, paid in coin, constituted a large drain on the country's specie, to say nothing of the payment of the principal.

President Johnson, in his message, December, 1868, said: "It may be assumed that the holders of our securities have already received upon their bonds a larger amount than their original investment, measured by a gold standard. Upon this statement of facts, it would seem but just and equitable that the six per cent. interest now paid by the Government, should be applied to the reduction of the principal in semi-annual installments, which in sixteen years and eight months would liquidate the entire national debt. Six per cent. in gold, at the present rate, would be equal to nine in currency, and equivalent to the payment of the debt one and a half times in a fraction less than seventeen years. This, in connection with all the other advantages derived from their investment, would afford to the public creditors a fair and liberal compensation for the use of their capital, and with this they should be satisfied. The lessons of the past admonish the lender that it is not well to be over-anxious in exacting from the borrower rigid compliance with the letter of the bond."

Read that statement of President Johnson again, and see how fair it is. Make the calculation for yourself, and prove that it is correct. If this assumption was true that the bondholders had "already received upon their bonds a larger amount than their original investment," then his proposition to compute the amount of interest for sixteen years and eight months at six per cent. in gold, to assume that as the debt,

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and to pay it in semi-annual installments, would have been equivalent to paying the principal two and one-half times.

His mention of "all the other advantages derived from their investment," meaning the immense lead it would give them in owning and controlling business enterprises, with the large sum of money they would thus obtain from the Government, was a matter properly to be considered.

President Johnson was right, and more than liberal, when tested by the demands of justice and equity; but for this, obloquy is still heaped upon his name, and he was, and is, denominated a repudiationist.

No nation has ever been burdened with debt as the United States has been since the Civil War. No other nation could have so well supported the burden. But how long will the people stand the injustice of it? Added to the wonderful increase in production, has been the constant addition by immigration. Nearly every immigrant who comes has a little money, and the total of it all is a vast sum; yet it has all been swallowed up in paying the interest on the public debt; the principal we still owe, after forty-four years. In other words, the people have paid more than \$7,000,000,000 in interest in the last forty-four years, and practically still owe the principal. No wonder we have millionaires and billionaires, while the masses of the people are pressed down with poverty.

A bill was passed by the Congress, March 3rd, 1869, avowedly to strengthen the public credit by a declaration of the purpose of the Government to pay all bonds in coin; but President Johnson refused to approve it, and the Congress having adjourned the same day, it failed to become a law.

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President Grant, in his inaugural address, March 4th, 1869, said: "To protect the national honor, every dollar of government indebtedness should be paid in gold, unless otherwise expressly stipulated in the contract."

This is the first public declaration for paying the government bonds in gold that we have been able to find. Without any intention to reflect upon the personal integrity of President Grant, which we regard as unimpeachable, we are nevertheless still of the opinion that the gold conspirators had influenced his judgment by false arguments. The so-called "sound money" men up to this time had been content to demand payment in coin. Why should President Grant predicate the national honor on gold payment, when at the time the silver dollar was worth more than the gold dollar by four cents, in the market?

The Congress in extra session passed an act, March 18th, 1869, declaring it the purpose of the United States to pay its notes and bonds in coin or the equivalent. That was as far as the Congress was as yet willing to go, and no mention was made of gold.

President Grant, in his message of December, 1869, said, "Immediate resumption, if practicable, would not be desirable. It would compel the debtor class to pay, beyond their contracts, the premium on gold at the date of their purchases, and would bring bankruptcy and ruin to thousands." This statement shows that President Grant had by this time learned something about the money question.

By the Act of 1868, \$77,000,000 in "greenbacks" had been destroyed, and the volume of currency that much reduced. President Grant had doubtless seen the effect of this contraction on the common people, and the marked discontent which it wrought.

The writer was a living witness to the conditions

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immediately succeeding the war, and knows that the years just preceding the destruction of a large part of the United States notes were marvelously prosperous ones to the people. Men were everywhere buying farms and homes, and those who already owned farms, encouraged by the prosperous times, went in debt for stock and implements to replace what the war had destroyed, thinking if the prosperous conditions continued they could easily pay for them; homes were furnished with comforts as never before—even common laborers could afford carpets on their floors. The wounds of the war were healed and forgotten in the general prosperity. But the violent contraction of the currency changed all this like a withering blight. Those who had contracted debts owed just as many dollars as before, and they suddenly discovered that it was twice as difficult to earn the dollars. Homes and farms went to pay debts, often sold at forced sales, and that, together with the declination of real estate values along with the fall of all other values, caused them to bring much less than their actual worth. Comforts were sacrificed in the homes, and the faded and worn carpets on the floors could not be replaced. The widespread discontent was finally the means of bringing the matter up in the Supreme Court. Some had claimed that the legal tender quality of the United States notes was unconstitutional, but the Supreme Court declared legal tender notes constitutional, in 1872.

This brings our history down to what has been termed the "Crime of '73."

On February 12th, 1873, the Congress passed an Act revising the coinage laws, which eliminated the silver dollar, and made the gold dollar the unit of value. Thus practically one-half of the money volume

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was struck down at one blow. The result was a panic ruinous to the debtor class, of which it is perhaps sufficient to say it was in all respects like the disastrous panics of 1837 and 1857.

It was discovered that during the panic, the legal tender notes were hoarded the same as gold; proving them to be the best currency which had ever been devised. In 1873, the market value of the silver dollar was three cents higher than the gold dollar. Gold is shown then to have been the cheaper metal, although far less in volume than silver. Up to that time, from the beginning of the government, silver had unvaryingly been the appreciated metal, and not the depreciated.

Representative Kelly, from Pennsylvania, one of the main leaders for the adoption of the gold standard and the demonetization of silver, reported the bill from committee where it had had, as he said, "as careful attention as I have ever known a committee to bestow on any measure." The very same man, Kelly, a few years later, publicly declared that he "did not know that the bill omitted the silver dollar," and Stewart, another one of the leaders in putting the bill through, afterwards declared that "the bill was passed surreptitiously," denouncing it as the "Crime of '73."

Representative Kelly, who stated, when reporting the bill that it had "been studied by the Coinage Committee line for line, and word for word," and who himself made the announcement to the House that "the bill contemplated establishing the single gold standard," declared four years later that "the demonetization of silver was an unexplained mystery" to him. Kelly, Stewart, and the others, who were leaders in passing the Bill in the Congress, should have known what they were legislating upon, and the plea of ignorance which they afterwards put up was an added

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offense; a reflection either on their honesty or their intelligence, and an insult to the public.

In obedience to popular demand the Congress passed an Act in April, 1874, fixing the maximum amount of "greenbacks" at \$400,000,000, and national bank notes at the same amount; but President Grant vetoed the Act, April 22nd, 1874. The Congress passed another Act, June 20th, 1874, limiting the maximum of "greenbacks" to \$382,000,000, and providing for the redistribution of bank issues and the substitution of a five per cent. redemption fund to be retained in the Treasury for the reserve required on circulation. It also authorized the retirement of circulation by deposits of legal tender notes in the United States Treasury. The Treasury was thereafter required to redeem all national bank notes, upon presentation.

Resumption of specie payment was decreed by Act of the Congress in 1875. There was only one way for the Government to resume specie payment, and that was to get the gold necessary for the resumption, by the sale of bonds.

Secretary John Sherman declared in his report in 1880 that "the Treasury notes in form, security, and convenience were the best circulating medium known —a burdenless debt; that the legal tender quality was not necessary to make them useful, and even deprived of that, they would still be the favorite money of the people." In his last statement, however, with regard to the legal tender quality not being necessary, he was wrong; for it was exactly that which made them money. Of course, the legal tender notes were merely promises to pay on demand, but they, the "greenbacks" drew no interest; as Secretary Sherman said, they were "a burdenless debt," and the people were satisfied with them as money.

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In the Political Campaign of 1888, the Republicans denounced the attempt of the Democrats to demonetize silver! This, indeed, sounds strange to us now, when we know that it was a Republican Congress that had before that demonetized silver, and that the same party now boasts that it adopted the gold standard.

It has been held by the highest courts that "contracts to pay money are obligations to pay that which is money when payment is to be made." As the states are prohibited by the National Constitution from making anything else but coin a legal tender, it follows as a logical deduction, that the Federal Government alone has that power. The power to say what is or what is not money is vested in the Congress of the United States.

The coinage laws of 1834 changed the weight of gold coins, and yet the Act was held by the courts to be constitutional.

"Every contract to pay money is subject to the constitutional right of the Congress over money."

Bankrupt laws passed by the states are unconstitutional because they impair the validity of contracts; but national bankrupt laws are held to be constitutional, because the Congress has the right to pass them, under the "general welfare clause" of the Constitution. The logical and legal conclusion is that Congress has the power to issue its own bills of credit in such forms and with such qualities of currency as accord with the usage of sovereign governments. The power to confer the legal tender quality is incident to the sovereign power of the Congress.

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CHAPTER XVIII

NATIONAL BANKING SYSTEM—MONETARY COMMISSIONS —FRAUD OF 1893-94

Bank currency in the United States from 1838 to 1861 was issued solely under State authority. Lax legislation, and want of proper supervision, caused bank notes to vary greatly in value; besides, the amount of counterfeiting was appalling. Secretary Chase recommended a National Currency System, based on government bonds. A lengthy measure for this purpose was introduced by Representative Spaulding, of New York, in the winter of 1861-62. It was not believed the good effects hoped for in the Bill could be realized in time to meet the Government's necessity, hence the measure went over till the succeeding session, and a legal tender Government note issue was made instead.

Chase persisted in urging upon the Congress the two advantages of his plan—a market for bonds, and a uniform currency permanent in character.

The National Banking Law passed both houses of the Congress, and was approved February 25, 1863, one year after the approval of the Legal Tender Act. A considerable number of Republicans, and practically all the Democrats, opposed the measure. The debates in the Congress showed that it was the intention to supplant the State bank circulation, hence the source of the opposition.

An act was passed March 30th, 1863, which put a

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tax of two per cent. on State bank note issues, double the tax imposed on national bank currency, the purpose of which was to force the State banks to nationalize.

Under the National Banking Act, each bank organized under its provisions, and each existing State bank that desired nationalization was required to deposit in the United States Treasury United States bonds bearing not less than five per cent. interest, to the amount of one-third of the capital, (but in no case less than \$30,000) to be held to secure circulation, which might be issued to the extent of ninety per cent. of the market value of the bonds. The Act provided that notes might be issued in denominations from one dollar to one hundred dollars, and were to bear on their face the certificate that bonds were held by the United States to secure them. It was further provided that the notes should be redeemable on demand in lawful money, and a legal tender for all dues public and private, except customs duties, interest on the public debt, and their own redemption. The volume of national bank notes was limited to \$300,000,000.

An Act of March 3rd, 1865, imposed a tax of ten per cent. on the note issues of State banks, which caused their disappearance from circulation, and soon afterwards the national bank note issues reached the limit of \$300,000,000; but unfortunately, the most of it was held in the Eastern States, which caused the cry of monopoly to be raised.

The ten per cent. tax on State bank notes had destroyed them as currency, and as nearly all the national bank notes were held in the East, the South and the West suffered for a want of sufficiency of circulating medium.

There arose in 1867, a substantial party that fa-

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vored the substitution of United States legal tender notes for bank notes; and for a period of ten successive years it looked as if the national banking system would fail. The so-called "sound money" advocates had on their hands a gigantic struggle. The tactics which they adopted was to placate the opposition with promises, and thereby secure delay, while every agency was adroitly directed in remoulding public sentiment and strengthening their position.

An international monetary conference was held in Paris, in 1867. It was dominated by the gold conspirators, and recommended the adoption of the single gold standard, and an international coin. There was good sense in the latter recommendation, as we will attempt further on to show.

The Senate Finance Committee, June 9th, 1868, in a report recommended the coinage of a dollar three and a half cents less in value than the existing one, thus making it equal to five francs. It was expected also that the British sovereign would be so modified as to make it exactly equal to twenty-five francs, or five of the proposed dollars; but nothing came of it.

During the period from 1861 to 1872, the production of silver in the United States steadily increased, but owing to the premium on silver, practically all of it was exported.

Germany adopted the gold standard in 1870; immediately following, France suspended silver coinage, and the countries forming the Latin Union, Italy, Switzerland, Belgium and Greece, followed suit; which caused a fall in the commercial value of silver. Contemporaneously with these events, the Congress was at work upon the revision of the mint laws, which resulted in the Act of 1873, making the gold dollar the monetary standard, and demonetizing silver.

The contention of the gold standard advocates that

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the fall in the market price of silver was due to over production of that metal, was refuted by the Monetary Commission appointed in August 1876 "to enquire into the whole subject." The Commission reported that the fall in the price of silver was due to its practical demonetization in so many countries, and not to increased production. The double standard was advocated by the commission as "having a compensatory influence, so that prices would not be violently depressed, as was sure to follow if the demonetization were persisted in; and the claim was made that "the entire volume of coin money governed prices," and that "to reduce the volume reduced prices, which, as history showed, was more disastrous than war, pestilence or famine."

Attention was also called by the Commission to the enormous debt of the United States which was contracted under the double standard, and payable by the terms of the law, in silver or gold, at the option of the Government; and it was shown that "the proposition to pay it in gold alone was to impose onerous and oppressive obligations upon the people."

It was equivalent to doubling the debt, the burden of which rests on the people; for the only way the Government can raise money is by taxation, and all taxation comes off production.

The International Monetary Conference of 1878 dissolved August the 24th, without results. The much discussed question was how to maintain the parity of the metals, a demonstrably practical impossibility under the "free coinage" system,—a fact, however, apparently recognized by few economists.

The silver question remaining undetermined, and the conditions in France, Italy, India and other countries becoming more serious, owing to the steadily diminishing supply of gold and the steadily falling price

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of silver, opinions of many who had helped to establish the gold standard underwent a change. France consented to join the United States in an invitation to other countries to join them in another conference, the purpose of which was to "devise a system by international agreement whereby both metals, gold and silver, as bimetalic money might be used according to a settled relative value of the two metals." The conference was called and met in Paris in April, 1881. England, on account of India, was seriously interested, and Germany was also represented. Eighteen countries sent delegates. The conclusion reached was that "the fall in the price of silver was injurious, and that a fixed ratio would be beneficial; that an international agreement for "free and unlimited coinage" of both metals at a fixed ratio would cause and maintain stability; that the most suitable ratio was fifteen and a half to one.

This, England, France, Germany and the United States, with the concurrence of others, could, by convention, secure, and maintain the stability of the ratio adopted.

Germany and England declined to enter into such an agreement. The conference, for politeness sake, adjourned to April 12th, 1882, to enable France and the United States to work out a plan; but as it turned out the adjournment was final.

During this time the Treasury was not only indifferent in getting silver into circulation, it put every possible obstacle in the way.

The national bank currency being based on Government bond deposits, to pay off Government bonds means retiring the national bank currency, leaving a vacuum for gold and silver.

The British Monetary Commission in 1888, composed of twelve men, were unanimous in their report

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as to the causes which had disturbed the par between the metals. They said, "The action of the Latin Union in 1873 broke the link between silver and gold, which had kept the price of the former, as measured by the latter, constant at about the legal ratio; and when this link was broken the silver market was open to the influence of all the factors which go to effect the price of a commodity. These factors happen, since 1873, to have operated in the direction of a fall in the gold price of that metal, and the frequent fluctuations in its value are accounted for by the fact that the market has become fully sensitive to the other influences to which we have called attention above," which means, in fewer and plainer words, that when silver was demonetized it became simply a commodity; and as gold was the only real money left, the silver commodity had to be priced in gold. The commission was equally divided for and against the gold standard; six were for maintaining the gold standard, and six were for bimetallism.

In the panic year of 1873, when New York banks suspended cash payments and many large business houses failed, the United States Treasury attempted relief of the situation by the purchase of bonds, and the issuance of "greenbacks" in reserve—that is, "greenbacks" that had once been redeemed and retired. As before stated the bond purchases had the effect to retire national bank currency, which operated to defeat the object of the Treasury. The New York banks lost \$35,000,000 cash, and were compelled to resort to clearing house certificates, issued upon hypothecated securities.

The United States Treasury has no safeguards whatever against withdrawals of gold, and hence ours is the easiest market from which other nations' necessities may be supplied.

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In about the year 1890, the fraud of drawing gold out of the Treasury in payment of legal tender notes was tentatively begun, to reach the maximum iniquity in 1894.

President Harrison called an international conference on silver, which met in Brussels, November, 1892. Twenty countries were represented.

The delegates from the United States were instructed to work for international bimetallism, or failing in that, action tending to a largely increased monetary use of silver, to arrest depreciation.

The European banks, where during all the years the products of our gold mines had gone, were rich in gold, while the United States was losing the little it had left. The conference adjourned in January, until May, 1893; but never reassembled. Immediately following the fruitless work of Harrison's monetary commission, came the panic of 1893, precipitated, as has always been the case, by general liquidation. Reserves of the New York banks fell below par. Money on call loans rose to seventy-four per cent., and time loans could hardly be obtained. Outstanding loans were collected wherever possible, the money hoarded, and a currency famine ensued; premiums were paid for any kind of currency as high as four per cent., even on silver dollars. Banks in the principal Eastern cities curtailed cash payments, Clearing House certificates were resorted to, as well as cashiers' checks, and due bills from manufacturers were used as money. Fifteen thousand individuals and business concerns failed or suspended, with liabilities aggregating \$374,000,000.

As before noted, the International Conference on silver failed to reassemble. The British Government closed the mints of India to the coinage of silver. Silver fell to seventy-eight cents per ounce.

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John A. Stewart, speaking for the bankers of New York to Secretary Carlisle, declared that they had anticipated the interview, and that they were prepared to take the new Government bonds.* Of course they were prepared. A carefully planned scheme of the gold syndicate had been successfully carried through, the principal feature of which was to drain the Treasury of gold by the presentation of legal tender notes. The mockery of redeeming them in gold and putting them out in circulation again, to be returned to the Treasury for other like redemptions, was pursued by the second Cleveland administration, till over \$300,000,000 of legal tender notes ("greenbacks") had been redeemed in gold, of which more than \$172,000,000 had been paid out in that year, 1894.

This transaction will stand in history as the most colossal fraud of the century. The Treasury was emptied of its gold, and in order to maintain the legal reserve, it was necessary to issue bonds. This was what the gold syndicate had worked to secure; and after the fraud had been successfully consummated, they had the bonds, and still had most of the gold. In 1895, President Cleveland, through his secretary of the Treasury, made a contract with the Morgan Syndicate to get gold for Government bonds.

Mr. Morgan, who acted for the syndicate, agreed to take no more gold from the Treasury with United States notes; to actually import half the sum of gold contracted for, and that they would do all in their power to prevent exports of gold during the period of the contract.

The first part of this agreement may be taken as proof that the syndicate had been extracting gold from the Treasury by the presentation of legal ten-

* Referring to Secretary Carlisle's visit to the New York banks.

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der notes, and the last part is an admission that it controlled the exports and imports of gold. The Rothschilds composed the English end of the syndicate, and it was managed at this end by J. P. Morgan, who made the contract. The syndicate, showed unexpected liberality in that it furnished the Government \$16,000,000 more gold than was called for in the contract; but on the other hand its promise to prevent the exportation of gold was not kept, and in the year 1896, \$86,000,000 gold was exported.

The gold production of the world since 1891 had steadily increased, especially in the United States, but was being exported from the United States faster than it was produced. Austria and Russia had at last adopted the gold standard, and were actively accumulating gold. President Cleveland and his secretary, Carlisle, asked the Congress to provide for the cancellation of the legal tender notes. President Cleveland very forcibly urged that they be funded into bonds. The conduct of the Treasury in the Cleveland administration in paying gold for legal tender notes, when the silver dollar was by law also full tender, and when the acts creating the notes stipulated coin payments, cannot for any reason be excused or defended. We prefer to think, however, that it was financial stupidity rather than dishonesty.

The payment of gold for Treasury notes, and the sale of bonds to buy more gold, enhanced the purchasing power of gold, and enormously increased the obligations of debtors having deferred payments to make. By law, silver was still full tender money; but the practical disregard of the law by the Cleveland administration had the effect to demonetize silver, and the unsatisfactory conditions were caused by concentrating upon one metal only, the measuring of value and debt paying power.

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Public dissatisfaction with the law of 1873, which demonetized the silver dollar, caused its repeal by statutory enactment; but the practice and policy of each administration since then has been to recognize the gold standard. If we had honest bimetallism, and the alternative existed of paying the Government's obligations in either metal, the inordinate enhancement of one or the other would be neutralized if not prevented.

The gold standard favors a credit media of exchange, so that what the people have to use as money is not real money, but only promises to pay. The larger the credit media of exchange, the easier it is to force liquidation.

The Cleveland administration issued \$262,000,000 in bonds to get gold to pay the legal tender notes which, as a matter of fact, were not paid for at all, but put back in circulation, to remain an obligation against the Government. These bonds, if held till maturity, meant a further payment of interest of \$379,000,000, principal and interest totaling \$641,000,000, and the notes, which by as flagrantly dishonest a trick as was ever conceived, had been made the excuse for it, still outstanding and unpaid.

This enormous increase of the national debt was piled up on the people in a time of profound peace; —a burden fastened upon them without any just consideration. Just analyze this a little. Three hundred million dollars United States legal tender notes, which not only constituted "a burdenless debt" because non-interest bearing, they were the peoples' money; by the connivance of the gold syndicate, and the folly, if not the crime, of the administration, converted into an interest bearing debt, the interest on which amounting to \$100,000,000 more than the principal. This debt was absolutely created by dishonest manipula-

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tion. When it was all over, the United States notes were in circulation as before, the people were \$641,000,000 worse off, the gold syndicate held against the Government an enormous bonded debt, and had already gotten back the larger portion of the gold which it paid for the bonds. We have dwelt at length upon this transaction because the gigantic fraud of the thing staggers credulity.

The gold syndicate possesses even greater power today than they did then, but they have not since attempted to play the same trick in the same way; because they know very well that the people would not stand a repetition of it.

The Act of '73 made the gold dollar the unit of value, and demonetized the silver dollar. Subsequent acts have claimed to remonetize the silver dollar and restore its legal tender quality; but that part of the Act of '73 making the gold dollar the standard unit of value has never been repealed. That fact, together with the practice and policy of subsequent administrations, has had the effect to put silver on the level with paper currency as a subsidiary money.

The agitation for international bimetallism was not expected to secure the same; but it did secure the purpose intended, of quieting the demands of the public till the time was favorable to fasten the gold standard on the country, irrevocably. The monetary commissions were employed to the same end.

There was a Monetary Convention, composed of prominent bankers, held in Indianapolis in 1897. They declared for the gold dollar as the standard of value, but claimed that this could and should be done without affecting the legal tender quality of the silver dollar. They advocated further, the establishment of a bureau of issue and redemption, which should hold a twenty-five per cent. gold reserve for the redemption of legal

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tender notes; this reserve to be maintained by the issue of three per cent. gold bonds, whenever necessary; silver dollars as well as legal tender notes, to be redeemed in gold. They recommended that \$50,000,000 of the legal tender notes, when redeemed, be cancelled, and thereafter cancelled in amounts equal to the increase of the national bank circulation, and after five years the remainder to be cancelled in five equal annual installments, and then all outstanding notes to cease having legal tender power; the silver bullion in the Treasury to be sold for gold, to maintain the reserve. A bill embodying these provisions was introduced in the Congress, but no action was taken.

Silver lost its commanding popular interest on account of the Spanish-American War, and the gold standard advocates hastened to take advantage of conditions to strengthen their position. To meet the expenses of the war, \$200,000,000 in three per cent. bonds were issued, and placed at par. The Act of 1900 declared the gold dollar to be the standard and unit of value, and all forms of money issued or coined by the United States to be maintained at a parity therewith by the Secretary of the Treasury.

Referring back to the Mint Act of 1834, a ratio was then made undervaluing silver, with the result that in a decade the silver in the country was all exported.

In 1853, the ratio was again changed, reducing the amount of fine silver in fractional coins, but left undisturbed the silver dollar unit, 371.25 grains of pure silver.

One of the incongruous constitutional constructions was this:—Under the United States constitution, the states have no power to coin money or emit bills of credit; but in the establishment of State banks, they conferred upon corporations the right denied to the states, themselves, by the Constitution, that

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of issuing bills of credit. How could the states constitutionally confer upon corporations a right which they, the states, did not constitutionally possess? The contention that they had the power under the Constitution is a gross absurdity. The Federal Government has the power under the Constitution to emit bills of credit, and further, we do not question its privilege to delegate that power to a corporation as the Government's agent, as it did do in the establishment of the first and second United States banks; the only question is, was to do so necessary or wise?

The Government has not hesitated to issue Treasury notes in times of the exigencies of wars and panics. No matter how much the "sound money" theorists declaim against it, at those times it has proved to be the salvation of the people.

The American people appear to have a preference for paper money, on account of its convenience. The public clamor for the retention of the "greenbacks," in circulation had the effect to stop their cancellation, and \$346,681,016 are still so retained; and notwithstanding the practical demonetization of silver, "it still performs the bulk of the exchanges of the workaday world, is chained to the wheels of industry, and may not leave its task."

The money question is never settled, and constantly remains a matter of most serious concern, not to our nation only, but to every nation, for they all have the same false system, the commodity theory of money, and they have all struggled with the impossible task of regulating it ever since the establishment of "free coinage" in 1866, when the control of money was unwittingly surrendered to private hands. But of all the attempted regulation, our own Government has made the most signal failure, for several reasons.

We believe that if the first United States bank had

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been continued, the Government could have easily met the expenses of subsequent wars, would have to-day been out of debt, and far richer as a nation than what we are; but inequalities in the distribution of wealth and the benefits of production could not have been prevented. However, if the present system of money is to be continued, there should be a reversion to first principles as they were laid down by Alexander Hamilton in the establishment of the first United States bank. Those principles were mostly copied from the Bank of England, but they are the soundest and most equitable that can be applied to the commodity theory of money. Our Government, in departing from those principles, has ever been at sea without sextant, chart, or compass. The numerous changes in our banking laws and their application have been costly experimentation. Our present national banking system is an experiment. It is based upon the absurd theory of securing one debt with another debt, and calling it money. The national bank notes are primarily a debt against the banks, while the bonds to secure them is an obligation against the Government.

As early as 1853, the Treasury began, for the relief of the money market, the purchase of United States bonds; but the holders have from time to time taken advantage of the public necessity by holding them for a high premium, and as high as twenty eight per cent. premium has been paid. Between individuals, when one pays to another for a note in advance of the time due, the one who pays the note demands a discount; but the Government, when it pays its notes in advance of the time due, pays a premium. Since the establishment of the present national banking system with a bond-secured currency, the purchase of bonds has the effect to reduce the currency and defeat

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the Government object of assistance to increase circulation and relieve money stringency. The constant demand of the public is for a more elastic currency; but few seem to comprehend that a currency based on bond security cannot be elastic.

We claim to have a convertible currency, when it is no such thing. Fully eighty-five per cent. of the business of the country is done on a credit. How is it possible to redeem eighty-five dollars with fifteen dollars? That is just where the main part of the mischief lies. While public confidence lasts, everything moves on smoothly; bank notes loaned out pass on from hand to hand in current exchanges, and are not presented at the banks for redemption; the really inconvertible character of our circulating medium is forgotten; but just let general liquidation once begin, and all this is soon made apparent.

The Government's fiscal year ends the last day of June, and the federal revenues draw in and lock up in the Treasury a substantial part of the money supply just when it is most needed for moving the wheat crop, which is the principal money crop of the nation.

Passing over recent history, which is known to all, we will only add that the money panic of 1907-8, which is still with us in 1909, was precipitated by liquidation, as all the others have been, and will be. In most instances, periods of unusual prosperity have just preceded money panics. Like good farmers, when the money crop is ripe, the money kings begin to gather in as a golden harvest the profits of production. As soon as the harvest is gathered in, public confidence is gradually restored, industry encouraged, and provisions made for another crop. Thus are the millions bound to the slavery of toil with the alluring promise of future reward, which is never realized only in the exceptional cases of a few fortu-

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nate individuals. The greatest of the five giants; Money, continues to devour the substance of the people.

CHAPTER XIX

SCIENTIFIC MONEY

We approach the discussion of this subject with great diffidence. Volumes have been written on money by learned economists and logicians, and those same volumes lie covered with cobwebs, and unread, in dusty libraries. One distinguished economist wrote a book on money, paid for its publication, and then gave copies to prominent men, government officials and public libraries, and that was the last of it. Of the books placed in the libraries, the leaves remain uncut, and it is doubtful if the copies given to individuals were ever read. Yet, among all economic questions, that of money is paramount.

After all the experimenting, and the almost endless financial legislation and tinkering, in every government today, the subject of finance is the most serious problem. There is no other subject that so directly affects the prosperity and happiness of the people, as the subject of money; and it is unfortunate, a matter of serious regret, that the people have hitherto given to the subject of money such little study, except to the means for its accumulation. If they would only investigate, they would discover that they are enslaved by the present system, and will never be free till they have perfected a scientific system of money.

Justice to the laboring classes, and to an advancing civilization, demands that money be put upon a

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permanent, equitable, scientific basis. There is no desire on the part of just minded men to weaken the security of honest capital; but labor is entitled to a fair reward, and it is unjust that money should be so manipulated as to make the toiling masses the servants of a few. Certainly the time has come when there should be enough of intelligence and patriotism to adopt an equitable, scientific system of money for the use, convenience and benefit of the whole people, instead of the one-sided, unscientific system we now have, which is mainly used for their despoliation.

The clandestine, insidious promotion of under-handed legislation should no longer be tolerated, and the noisy clamorers for "honest money" should be made to yield to the will of the people. Present conditions cannot much longer continue without imperiling the right of self government. Already we have a few men in the nation whose colossal monetary wealth is a matter of the most serious concern and alarm.

"Money is the creature of man, and is the mightiest engine of power to which he can give intelligent guidance. It has the power to distribute the wealth and blessings of production, the gratifications and opportunities of life, in such a manner that each individual may enjoy that share of them to which his labor and his merits justly entitle him, or to dispense them so partially that merit may remain unrecognized, labor unrewarded," and "a system of social and labor slaveries be perpetuated to the end of time."

One of the first things taught to a child is to know what money is, and something about its uses; yet it is a lesson usually incorrectly taught, and never fully learned. The child is soon taught to recognize money when it sees it, and easily learns that its use is to buy things with; the grown-up man has the same

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knowledge, but as to the scientific understanding of money, the child knows as much as the average man. The reason for this is that the true scientific understanding of money has been perverted and corrupted. Truth is difficult of recognition when clothed in error. The true character of money has so long been covered up with erroneous conceptions and uses that even the wiser logicians have failed to discover it.

Children, in using pins for money, recognize in the pins a representative of worth; and in giving one pin for a common clay marble, or ten pins for a finer agate, recognize a numerical ratio. In both conceptions they are nearer to a scientific character of money than the so-called learned economists.

The first thing necessary in establishing a science is to discover its fundamental principles; the next, is to express those principles in a compendious, definite, unambiguous terminology. With regard to money, this has never heretofore been done. Either the thought of making money a science has never entered the minds of logicians, or else they considered such an impossibility. The several monetary terms have been used by writers interchangeably, utterly confusing to any precision of definition. We believe that money can be made a science as definite as any other. So believing, and fully aware of the magnitude of the task which we have undertaken, we will now define the monetary terms; and the reader will bear in mind that each term here defined will hereafter be used strictly in accordance with its restricted definition. Further on, in the predication of related thoughts, some recapitulations will be made, which, to the reader, may appear unnecessary; our excuse is the effort we make to be explicit.

The Latin word "moneta" is traced to the temple of Juno Moneta, which was the mint of Rome. The

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reason why the goddess Juno was so called is given by Suidas as follows;—

"During their war with the Tarentians, the Romans, being in want of money, prayed to Juno, and were assured by the goddess that 'so long as they observed the principles of equity, money would always be within their reach.' "

Such is the origin of the word money.

MONEY IS A DIVISOR OF WORTH; A REPRESENTATIVE OF WORTH, AND A MEASURE OF VALUE.

WORTH IS THAT INTRINSIC QUALITY OF COMMODITIES AND SERVICES THAT MEETS HUMAN NEEDS, WANTS, AND DESIRES, AND IS DETERMINED BY THEIR USEFULNESS, THEIR NECESSITY, OR THEIR DESIRABILITY.

VALUE IS WORTH IN TRANSMISSION BY EXCHANGE OR TRANSMISSIBLE, AND IS INDICATED BY THE NUMERICAL DENOMINATIONS OF MONEY, WHEN IT IS CALLED PRICE.

PRICE IS THE NUMERICAL EXPRESSION OF VALUE AS MEASURED BY MONEY.

CAPITAL IS THE BASIS OR MEANS OF PRODUCTION.

THE UNIT OF MONEY IS ITS LOWEST DENOMINATION.

THE STANDARD OF MONEY IS THE WHOLE VOLUME ADOPTED BY LAW.

These SEVEN TERMS, as here defined, comprise the FUNDAMENTAL PRINCIPLES, of the SCIENCE OF MONEY.

The word money, as well as the money itself, is in constant use in all civilized countries. As employed in the exchanges of trade, and the everyday transactions of the business world, there is no word perhaps, more distinctly, or more universally understood. But in a scientific sense, there is no word in common use

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less comprehended. The reason for this is that money has never been scientifically defined; and the disagreements and confusion in terminology of monetary writers.

The practical use of the word money in the common affairs of life, in buying and selling, is everywhere understood, but a comprehensive definition of it in economic science, is not a part of popular knowledge; indeed, it has never been reduced to a science, because the true scientific nature of money was lost sight of in the commodity theory of money, and the terms, WORTH, VALUE, PRICE, CAPITAL, have been so variously and differently applied and defined as to hopelessly obscure their true scientific meaning.

In the minds of most people, the conceptions of capital and money are confused. In a strict sense they are quite distinct. Money, legitimately, has no productive or reproductive power; but the interest drawing power which has been given to it by legislation, gives it a reproductive quality whereby it may be used as capital; but when so used, it is loaned out at interest, which is not the natural use of money in buying and selling in the exchanges of trade.

The scientific meaning of capital is the basis or means for future production. The lands, stock and implements of agriculture is capital; a State franchise, right of way, roadbed, cross ties, rails, culverts, bridges, rolling stock, locomotives, engines and cars, the capital of a railroad company; a building, either owned, or the paid-up rental of the same, and merchandise of whatever kind in stock, is the capital of a merchant; buildings, machinery, and the material for manufacture into some marketable commodity, is the capital of the manufacturer.

As related to these, money can be converted into capital, or capital into money, but in a sense, interest

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rates have given to money a productive quality, and when so used we call it money capital. Interest rates is not a productive power in a true sense; because the increase is not by new growth, but by accretion or absorption; however, the money, or notes at interest of the money lender is his capital. Government bonds or paid up stock, is the capital of the banker, and anything held in possession, of representative or intrinsic worth, on which a credit or debit value may be placed, and used in production, is capital.

We can readily comprehend that in the beginning of exchange in primitive society, when one man had a surplus of any commodity, he would exchange it with a neighbor who had a surplus of a different commodity which he needed. Later, when social relations further developed, if the neighbor had not the commodity wanted, but had something else of equal worth, or something representative of equal worth, that he could go into the market with and procure what he wanted, the exchange was effected. And as some commodities would have a more general acceptance than others, on account of more general usefulness or convenience, they came to be adopted as a current medium of exchange. The first commodity selected as a general medium of exchange was cattle. As late as the time of the Siege of Troy, cattle were used as money to pay for weapons and uniforms. In fact, their use as money continued up to the time of the adoption of money symbols. The English word *pecuniary* was derived from the Latin word *pecunia*, which was derived from the earlier Latin word, *pecus*, meaning cattle. This is perfectly natural, as the ancients were principally a pastoral people, and their wealth was measured by the size of their flocks and herds. Cattle became, therefore, their current medium of exchange, and in that sense, money; but not

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real money. It was simply an advanced idea of barter, the exchange of one commodity for another.

As men made progress in the social state, more correct ideas of money were evolved, and about nine centuries before Christ, metals began to be used as money. And, be it said to the credit of the ancients, when they began coinage, or the use of metals as money, with them, their coins, or baugs, possessed only a representative worth.

It is quite true that before anything can be used as money, it must be such as can be immediately used in the purchase of commodities, or the payment of debts; but in a truly scientific money this quality is imparted to it by the fiat of law and social convention, without regard to intrinsic worth as a commodity.

Primitive transactions were simply barter; the exchange of one commodity for another, as the giving of a sheep for a measure of corn. As the variety and multiplicity of transactions increased the exchange of commodities became cumbrous, certain symbols, representing commodity worth, began to be used, both as a matter of convenience and to facilitate exchanges, and a circulating medium marked the advance in civilization.

In different countries and times, cattle, hides, furs, ivory, beads, various commodities,—and in some countries even scraps of iron and nails, have been used as a medium of exchange; proving that anything can be used as a medium of exchange. Chevalier is authority for the statement that nails were used as a medium of exchange in some of the secluded villages of France, as late as the year 1866.

When Cortez invaded Mexico, he found the people using grains of cocoa for small transactions. Salt, leather, olive oil and dried fish, have been used as

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a medium of exchange, even in modern times. Cattle still serve the purpose of money in Central Africa. Cows were once receivable for taxes in Massachusetts.

Any commodity, when used as a medium of exchange, is enhanced by the representative worth imparted to it; when such use ceases, it immediately falls to its own particular commodity level of intrinsic worth. When cows were receivable for taxes in Massachusetts, even scrub cows became very valuable.

Before the Revolutionary War, and for some time afterward, tobacco was used as a medium of exchange in Maryland, and Virginia. During the colonial period tobacco was made money by law, (what makes all money) and fees, salaries, government officers, public taxes, were all paid in tobacco. In October, 1780, a law was enacted in Maryland, fixing the exchange rate of tobacco at twelve shillings six pence per hundred weight. In 1806 tobacco fees were abolished, and federal money substituted. Meanwhile, the District of Columbia had been ceded to the United States, the old laws continuing in force except as changed by the Congress, and so, to this day, the fees of the clerk of the Supreme Court, in cases where the Government is a party, are computed in pounds of tobacco, and settled for at the Treasury at the statutory valuation of tobacco. The fees of the marshal of the District of Columbia were computed in tobacco till a recent period.

California first used gold dust as a medium of exchange, but had California raised tobacco instead of gold, its first medium of exchange would have been tobacco.

Nothing is more clearly established by history than the fact that, down to the sixteenth century, the making of money was regarded as a royal prerogative, and that it was the authority of State, or law, that

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made the metals money, and not the amount of the metal used.

More than twenty centuries ago, Aristotle so correctly laid down the nature and characteristics of money as to leave little room for improvement. He makes the mistake of giving *value* to money when he meant *representative worth*; but in other respects his deductions are scientific and free from error. He says, "Money, (*nomisma*) by itself, is but a mere device. It has value only by law (*nomos*) and not by nature, so that a change of convention between those who use it is sufficient to deprive it of its value and of its power to purchase our requirements. By virtue of voluntary convention, money (*nomisma*) has become the medium of exchange. We call it '*nomisma*' because its efficiency is due not to nature, but to law (*nomos*) and because it is in our power to regulate it."

If this was changed to read as follows, there would be in it no error: The *law-made medium of exchange* called money, by itself is but a mere device. It is a *numerical measure of value of representative worth only by law, and not on account of any inherent quality*, so that a change of law or convention between those who use it is sufficient to deprive it of its *representative worth* and destroy its *purchasing power*. By virtue of *law* and *voluntary convention*, the *law-made medium of exchange* is become what it was intended to be. We call it *law-made medium of exchange* because it is in our power to regulate it.

The decision of the privy council in 1604, established the public and social character of money by recognizing money as a measure whose equitable operation could only be secured by the State, which therefore was alone trusted with the power to "Make the same generally more or less" by increasing or dimin-

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ishing its volume or altering the composition of its symbols. "The council sustained these principles by an array of philosophical authority and legal precedents which extended backwards to the remote era of the Greek republics."

"The plunder of India and America during the Stuart dynasty overthrew both law and philosophy. It rendered abortive every attempt on the part of the bench, even of the crown, to retain for the State the time-honored and necessary prerogative of coinage. Scipio's plunder of Spain, his destruction of the numismatic system of Rome, and his intrigues and embezzlements of the Opima Spolia, were enacted all over again. First at Goa, afterwards in Spanish America, eventually in Holland and England, the avidity of the plunderers abroad, and of the money lenders with whom they were in league at home, broke down every safeguard of the law, destroyed every limitation of the monetary measure, and reduced money to the degraded position of metal. This was done by legally permitting individual or private coinage, subject to the stamp of the mint. Under this law, the owners of bullion could increase the currency by having their metal coined, or diminish it by melting the coins, and so could alter the measure of value at pleasure, without loss or expense; the State even consenting to perform gratuitously the mechanical work of coinage and the detective work of incriminating counterfeiters. Such was the practical outcome of the law of 1666, and such is the law today. A more senseless and mischievous act was never procured."

"Upon the working of this law was erected an entirely new and fallacious theory concerning the wealth of nations, its origin and its mode of increase; a theory which was never heard of before, and will not be heard of again whenever the coinage and the

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melting down or exporting of the national measure of value shall cease to be prostituted to private cupidity. The name which has been given to this law and theory is the Mercantile System; its proper name is Metalism. It assumes, among other things, that value is an intrinsic attribute of matter, the expression 'intrinsic value' occurring so early as the Dutch Mint Act of July 21st, 1622; that exchange, even in civilized states, is conducted upon the basis of the cost of production; and that money is and necessarily must be, a commodity, valued as such, namely (so runs the theory) at the cost of the production of coins, which cost, in most cases down to that time, was in point of fact chiefly rapine, slavery and murder."

Alexander Delmar.

Private, or "free coinage" began in the Moslem states of Egypt and Spain, after they had renounced the authority of the caliph, or Emer-el-Moumenin. It was carried into India by the Moslem invaders and plunderers of that unhappy country; it was practiced successively by the Portuguese, Dutch and English adventurers in the East Indies; finally it was introduced into Europe by the Dutch, during their revolt against the authority of Spain, and as one of the means to annoy that power. The Spanish Mint Act of 1591 appears to have been designed as a counter move to the legislation of the Netherlands. It was repealed in 1603, but more fully enacted in 1608, which year may be definitely regarded as the birth time of "private coinage" in Europe. The law of 1608 permitted the viceroys of Spain in America to coin money for private account, without limit, provided each coin was struck from bullion which had paid the king's fifth, or tax on production. In 1620, the Spanish law provided that in addition to

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the king's fifth, there should be paid a seigniorage to the mints, amounting to three reals per mark.

In mere barter, the things bartered must possess some intrinsic worth serviceable to human wants; but that worth is by no means dependent upon labor. *WORTH* is a quality *intrinsic* to the *commodity* but *extrinsic* to the *cost of production*. Commodities are the products of the soil and of labor, but money is the creature of law and convention. The false contention that anything, to serve the purpose of money must have worth of its own as the creation of labor, is mischievous and misleading. Some physical qualities, such as durability, portableness, convenience in handling, are essential only for those reasons, but have nothing to do with *representative worth*. The precious metals fill the essentials in durability, freedom from corrosion, portableness and convenience; and as commodities alone their worth is comparatively stable, which, we will grant, is also a desirable quality so long as the present commodity theory of money is maintained. But in a purely scientific money, this last named quality is an argument against their use.

The precious metals came into historical use as money about three centuries before Christ. Iron, lead, tin, copper and bronze, were before then used successively by the Greeks and Romans. Gold and silver, at the ratio of about twelve to one, was established by Caesar; since which time, until within comparatively recent years, the volume of money has mainly consisted of those two metals. Their freedom from corrosion, their durability, their adaptation to the art of the mint, and their convenience in handling, are attributes that make them desirable for use as money; but the very fact of their high commodity worth, notwithstanding their advocates argue that that

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quality is the chief essential to "sound money," it is the very quality which has caused the true scientific theory of money to be lost sight of. The strongly advocated theory of "much worth in little metal," unfit them for use as scientific money, unless the commodity feature can be eliminated by law.

If the contention of the "sound money" theorists that "much worth in a little" is the essential quality of money be correct, why not make diamonds the only money? Or, better still, from their point of view, radium, which is the rarest of all metals? Whichever of these should be chosen as the money of final payment, it would represent the *entirety of commodity worth*. As it would be impossible for either to circulate in trade, the circulating medium would have to be a credit currency. The diamonds, or radium, established as money, of course would be owned and controlled by a few individuals, which would give them full power over the credit currency to make it more or less at their pleasure. If radium were selected as money and made such by law, an infinitesimal amount of it would represent a vast amount of wealth. Its use as a circulating medium, even in the largest of commercial transactions, would be an impossibility; and a credit currency for universal use in trade would be a necessity; which seems to us fully to accord with the logically developed theory of the "sound money" theorists.

The contention that the use of the precious metals as money is a matter of "natural selection," and that all money not so selected is not good money, is susceptible neither of historical proof nor scientific demonstration.

The amount of gold in the world is about* six

*An approximate sum. A definite statement is impossible. The amount hid away by hoarders is unknown.

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billion dollars, and the amount of silver is approximately \$3,500,000,000. The annual additions to this stock from the mines is about one hundred and fifty million dollars a year, which is little more than enough to make up for loss by abrasion and conversion in the arts. The purchasing power of gold has been greatly increased, *but a given weight of gold or silver will only buy one-tenth as much food, now, as it would five centuries ago*; and while the same given weight of gold or silver will buy so much less of the necessities of life, *it will buy far more of the luxuries.*

In recent years the production of gold and silver has greatly increased. Following the discovery of gold in Australia was the discovery of the wonderfully rich placer mines in California, in 1848-49. The increase in the annual production of gold by centuries is as follows: raised from one million to eleven millions in the sixteenth century; twenty-two millions in the seventeenth century; fifty-five millions in the eighteenth century. Some years, of course, the production was more, but the above is the average. The production of the year 1852 was one hundred and seventy-four millions. The average annual production at the present is approximately one hundred and fifty millions.

The amount of gold and silver in circulation in the sixteenth century was five times greater than it was a century earlier; in consequence, the price of agricultural products rose in a corresponding ratio, directly due to the increase of the precious metals. The price of services and of agricultural products would have continued responsive to the volume of money, had not the progressive advance in price been checked in the seventeenth century by the concession to the goldsmiths and money lenders, of the "free" or "private" coinage of coins of a certain weight and fineness, by

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which they were enabled to control the stock of gold and silver, and reduce prices. The rise of prices in Europe ceased about 1636, and rapidly declined for the rest of the century. The decline would have been greater and far more disastrous, had it not been for the introduction about that time, of a paper currency.

Trade outran the supply of money so fast the first half of the eighteenth century, that it has been computed that there was a comparative decline in the volume of money of sixty per cent. from 1809 to 1849. The production of gold in Australia and California caused a comparative rise in the volume of money from twenty to forty per cent.

Scientific money is not a commodity equivalent for the purchase of commodities; it is simply a numerical measure of value. A scale of prices is not money—showing how many sheep for a horse, how many pounds of coffee for a barrel of flour. A house may be equivalent in value to a thousand bushels of wheat; but the value of each is numerically expressed; that is, the value of the house is a thousand times the value of a bushel of wheat. If these values are measured by money, the measures are expressed in numerical money symbols called price, and the price paid is the cost.

With a pint cup you can dip up a pint of water; but one difference between a money measure and a liquid measure is this: with the pint cup you can dip up a pint of water and still keep the pint cup, to dip up as many more pints of water as you want, while a money measure will dip up (so to speak) so much of value, the measure passes out of your hands to be used again by the person receiving it.

A gold dollar contains twenty-five and eight-tenths grain of gold, nine-tenths fine, which to produce at

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the mine is supposed to equal the cost of the production of a bushel of wheat.

In California, before the Government had established a mint there, private individuals manufactured coins of the weight and fineness of American gold coin, and even of subdivisions, as low as twenty-five cents. This money was not counterfeit, because the inscriptions differed from the Government stamp, and denoted that they were coins made by private individuals; and since they contained the same amount of gold as the Government coins, and since *the Government had declared by law that so much gold was a dollar*, and as the public had confidence that the makers would not cheat, they passed as readily as the coins stamped by the Government. Prior to this, merchants and miners in California conducted their exchanges by means of gold dust, as found in the placer diggings and river washings, passing from hand to hand, sometimes by weight, often by guess-work. They gave so many grains for a sack of flour, a barrel of sugar, a quarter of beef, a pair of boots, etc. The coinage was a matter of convenience. When the Government set up its own mints, private coiners disappeared. The order in California was: first, dust; second, private coinage; third, Government coinage. This has been taken by "sound money" writers to prove that gold is money as soon as dug out of the earth. *But if the Government had passed a law making twenty-five and eight-tenths grains of any other commodity a dollar, it would have been a dollar instead of gold*, and the same as gold except with this difference;—it is necessary that the volume of money be limited and definite. The *naturally limited quantity* of gold makes a *natural limit* to the *volume* of money. If some other commodity of universal abundance was used for money, the volume would have

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to be limited and defined by law, which could be much more equitably and definitely done than leaving it to a natural commodity limitation, subject to the uncertainty of production by mining, its conversion from money uses in the arts, and its manipulation by free coinage.

Under our commodity theory of money, money is supposed to be something of definite, intrinsic worth *in itself*; while scientific money is a *definite, numerical measure of value*. The use of money is to purchase commodities or services, or to pay debts. Under our commodity theory, you pay or receive something of supposedly equal commodity worth, but with a scientific money you would pay or receive a *definite measure of value*. With a commodity money, the seller receives for the commodity sold a money commodity of supposedly equal intrinsic worth; with a scientific money he would receive a *measure of value of equal representative worth*.

Any article may be used as a medium of exchange, and in that sense only is it money. Its usefulness as money depends entirely upon the quantity of the article and the demand for it; both of which is subject to violent alterations; hence, in establishing the commodity theory of money, the effort has been made to adopt an article of unvarying intrinsic worth, of naturally limited quantity, which led to the adoption of the precious metals, gold and silver, and finally gold alone. In the world's present monetary system, the money of final payment is really all the money there is, and that money is gold. Silver is now made a subsidiary money, and a bank note, a check or any kind of paper currency is only a promise to pay gold. If the bank that issues the note, or the person who draws the check is considered solvent, they pass current in trade as money; but if they are insolvent,

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or become so, which is always possible, the note or check loses its monetary use. It is rightly claimed that this is not true of gold; but the argument that that is because of unvarying commodity worth of the gold is not altogether true; the real reason lies in the fact that law and convention have made gold the money of final payment, therefore, the only real money.

The things which give to gold its commodity worth are its limited quantity, the cost of mining it, and its various uses in the arts. But what makes it money is the mint laws of governments. The advocates of the commodity theory of money make arguments something like this—"that if a merchant sells a hat for five dollars in gold, he knows that the labor required in producing the gold is equal to the labor necessary to make the hat"; but the truth is that the merchant does not employ any such mental process at all; what makes the gold acceptable to him is that he knows that it is good money. He does not even stop to reason that what makes it good money is that it bears the monetary stamp of Government coinage, and that it is universally received in payment of all debts, public and private.

We are free to admit that the most approved form of money, under our present system, is coin of the precious metals; for the reason indicated above, and that is the natural limitation of their volume; but the contention that their commodity-worth makes them money is refuted by their own admissions; for they are forced to admit that even gold is worth more as money than in the arts, and that if its monetary use were taken away, it would greatly depreciate in worth. What is it that gives to the gold dollar worth above its commodity worth? We answer, *representative worth*. The total *volume of money*, established

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by law and placed against the *aggregate worth* of commodities and services, *at once possesses representative worth exactly equal to their actual worth.* This representative worth, which in the gold dollar is more than its commodity worth, is entirely distinct from commodity worth, and would still remain if the commodity worth were taken away. No matter the volume of money, whether it be large or small, it still possesses representative worth exactly equal to the worth of commodities and services. If gold should be made by law the only money, (which is practically the case now,) *and if its volume should be reduced to one dollar, that one dollar would possess representative worth equal to the aggregate actual worth of all commodities and services; and whoever owned that dollar would own the world.*

The fact that gold is worth more as money than as a commodity, when we have the commodity principle of money, is proof that its volume is too small to equitably represent the worth of commodities and services; besides, free coinage places the control of its volume in private hands.

The silver used in a silver dollar is of less commodity worth than the gold in a gold dollar; and copper is much less in worth as merchandise than either silver or gold. The universal adoption by law and convention of gold as the money of final payment, and the coinage stamp of the Government, makes it everywhere and at all times good money; but it is mainly the Government coinage stamp that makes silver and copper current as money, and that despite the fact that they have been made by law subsidiary to gold and depreciated in commercial price.

Paper money, also, based on gold redemption or the credit of the Government, is equally current as long as public confidence is maintained; but let public con-

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fidence once be shaken and there occurs an immediate rush for the gold, with the result that the credit currency which was put out in the shape of loans is called in and taken up, violent contraction of the currency ensues, and the purchasing power of gold is greatly increased by the consequent fall in prices.

If we had only one paper dollar for every dollar of gold we would have (what we claim to have) a convertible currency; but even then, with every period of liquidation we would have a money panic; because as the credit currency was called in and taken up, only the gold would remain, and that in the hands of a few instead of in general circulation; the contracted circulation would cause a fall in prices; the debtor class would experience greatly increased difficulty in paying their debts because of the depreciation in the prices on the values of commodities and services. Inevitable losses, deprivation and suffering would ensue, while money lenders, the holders of the gold, would be vastly enriched by its enhanced purchasing power.

During so-called prosperous times, the credit currency is put into use in the encouragement and aid of production. The paper notes are obligations against the banks that issue them. Other people pay interest on their own notes and debts, but not so with the banks. They loan their note obligations at an interest equal to the profits on production, or more, and keep their gold. The promise of gold redemption is mostly a fraud; for the banks loan out their notes as money, not as debts, and whoever borrows them is indebted to the bank for both the principal and the interest, so when those notes are returned to the bank, in most instances they are not returned for redemption, but in satisfaction, or payment of loans, and the obligations are cancelled. The only profit to the bank

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consists in the interest which it exacted on the loan.

While times are prosperous the credit currency passes from hand to hand in the every day trade exchanges, loans are let to run, and redemption is not demanded; during this time, the note issuers are getting their interest, and when a sufficient period has elapsed for the interest to equal the principal of the note obligations, usually about twenty years, they are terminated by liquidation. The holders of the gold make as much profit in one year of liquidation and financial panic as they do in the entire fifteen or twenty years preceding. But they cannot repeat this too frequently for the reason that if they forced redemption by calling in loans before the interest equaled the principal loaned, they would lose some of their gold; besides, production would be too greatly crippled, and they cannot afford to "kill the hen that lays the golden egg."

The precious metals, even unstamped, possess more than a natural commodity worth, because law and convention have made them the only money material. If we had the full use of both gold and silver as money on a perfect equality, with the control of money taken away from private hands and restored to the Government, the natural limitation to the volume of the two metals would be relatively stable, and perhaps would very equitably represent the worth of commodities and services.

Use and convention, sometimes without any formally enacted law, (custom being a Prescriptive law in itself independent of legislative enactment,) constitute various commodities a medium of exchange, as we have already noted. "With the Indians of North America, colored beads and shawls were used as money; and in Central Africa, purchases are made and debts paid with strings of beads or coils of brass wire.

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Formerly an ivory merchant or a traveler in Central Africa would lay in a stock of beads and brass wire, just as in Europe he would carry gold or bank notes. While the beads and brass wire are commodities used by the people for ornaments, since they are distributed far beyond their demand in this shape, they constitute an actual currency, of which a certain preferred color and quality is made the standard. If a merchant went there with beads of the wrong color, he failed in his trading for lack of available cash."

As before noted, paper currency is founded entirely on credit, which a distinguished writer denominated "one of the resources of advanced civilization and complicated commerce." It is true that fully eighty-five per cent. of business is done on a credit with a credit currency of some kind, but this is made necessary, not by a complicated commerce alone, *but for lack of a sufficient volume of real money*, which operates against the welfare of the people, because it gives all the advantage to the money lenders.

The credit medium of circulation is extremely various in its classifications, extent and form; but in all cases it is only a promise to pay money instead of being real money; yet, in times of general public confidence, it is used to make purchases and to pay debts, and therefore performs the work of actual money.

"No one in our country hesitates to take a gold or silver certificate or a national bank note as good money, for in either case the Government is pledged to pay it. A check, if the person who draws it is known to have a balance in a solvent bank, is used as money, for the payment may be in notes, or the holder of the check may hand it over to his own banker, in whose account it will be credited and debited against the banker on whom it is drawn."

"One of the special imperfections of a credit cur-

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rency is that it may be taken to be good and safe when it is not, as in the case of a check not honored by payment; or in the case of bank notes depreciated by over issue. But there are also risks in bullion, as light weight, base coin, and the absence of facilities necessary for the detection of fraud, as well as by theft. It has been shown that one of the advantages of a paper currency is that the risks attending its use are so easily remedied by legislation that government notes are taken now without the least suspicion. On transactions in general, the chance of loss from forgery or insolvency is deemed less than the chances for loss from light weight and base coinage."

The vast majority of all commercial transactions are made in paper currency of some kind, as drafts, bills of credit, checks, bank notes, etc. The people are satisfied with it because the great majority fail to understand or appreciate the fact that a *credit currency is completely under the control of the money lenders*, who can call it in whenever it suits them to do so. It would not be possible to contract the volume of real money if it were restored to the control of the Government.

WORTH is INTRINSIC to the COMMODITY or SERVICE VALUE is the TRANSMISSION or ESTIMATE of WORTH made apparent by the EXCHANGE of COMMODITIES or SERVICES, and where a money measure is used, the apparent value is expressed in money symbols, denominated PRICE.

The worth of commodities or services is determined by their use to mankind, and their desirableness.

SCIENTIFIC MONEY is a DEFINITE NUMERICAL DIVISOR OF WORTH, and its VOLUME such as is discovered to make an EQUITABLE DIVISION; but no matter the numerical volume of money which is placed against the worth of all commodities and services as a divisor,

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the aggregate worth of all is taken as ONE, or UNITY; thus considered, the quotient resulting from the division is the smallest part of worth decimaly expressed, and is the UNIT of the VOLUME of MONEY, as the digit one is the unit of mathematical mensuration.

The numerical volume of money being the divisor, the larger the volume of money the smaller will be the quotient, and the larger the number of parts into which worth is divided; therefore the easier of distribution, because *the least commodity and the smallest service would then have its monetary symbol.*

While scientific money is a numerical divisor of worth, it is a numerical measure of value, the precision of which measure depends upon the definiteness of its volume as established by law. In a scientific money the volume is arbitrarily determined by the total estimated worth of commodities and services as the amount needed to make an equitable distribution per capita of all the wealth, the benefits of production, and to meet the requirements of commerce; then fixed by legal statute.

As the precision of the money measure depends on the definiteness of its volume, its equitableness depends on its precision and on a numerical volume sufficiently large to place the worth of commodities easily within the reach of honest industry. We will say that it has been found that one hundred dollars per capita is the correct volume to meet all requirements. There are ninety million people in the United States. That number multiplied by one hundred dollars gives nine billion dollars as the volume of money. The worth of all commodities and services considered as unity and divided by that sum, divides worth to the nine billionth part in dollars. One dollar would then purchase the nine billionth part of all worth; the dol-

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lar divided into one hundred cents, each cent would purchase the nine hundredth billionth part of all worth.

Worth being an intrinsic quality does not change, except as affected by custom, supply, and demand; neither does value, which is worth in the kinetic form of exchange; but price, which is directly affected by the volume of money in circulation, and the rapidity of circulation, supply and demand, fluctuates with these causes. With a scientific money, the volume would by law be definitely maintained, and there could be no fluctuation in prices caused by diminishing or increasing the volume of money, which, thus definitely maintained at the same numerical standard would at all times measure value with precision.

It is scientifically inaccurate to speak of value as falling or rising. It is only price that can correctly be said to fall or rise. Prices fall with a diminishing volume of money, or rise with an increasing volume. With falling prices the measuring or purchasing power of money is increased, and a given sum of money will take up more of value. It is not the value which has altered, but the representative worth or purchasing power of the money.

The STANDARD of scientific money is not related to the material of which it is made, nor to any monetary symbol; it is the ENTIRE NUMERICAL VOLUME of money, by government fixed, established, and maintained. With such a money standard, under government control, the volume could not be increased nor diminished at the will of private individuals to the destruction of the equitableness of the money measure for the selfish gain of a few; besides, a purely scientific money should possess no commodity worth whatever. *Being simply money, and possessing no intrinsic worth as a commodity, it could not be diverted from its proper use, a measure of value only.* The

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temptation to reduce the volume of circulation by hoarding, would still exist; but if individual fortunes were limited, as we have elsewhere suggested, this could not be done to any harmful extent.

Say fifty dollars per capita was placed against the aggregate of worth, instead of one hundred dollars, one dollar would buy twice as much of commodities or services; if it were made thirty-three and a third dollars per capita, one dollar would buy three times as much. As the volume of money is increased or diminished, its representative worth or purchasing power is diminished or increased inversely. The money volume, together with the rapidity of circulation, absolutely controls prices under like conditions of supply and demand, when not interfered with by trade combinations and manipulations.

CHAPTER XX

ROYAL PREROGATIVE OF MONEY SURRENDERED—ESTABLISHMENT OF THE BIG BANK AND THE BEGINNING OF A CREDIT CURRENCY—REPRESENTATIVE WORTH OF MONEY FURTHER DEFINED

"Before the Act of 1666, the money of England consisted of all the pounds, shillings and pence in the kingdom, no matter of what material made, plus all the pounds, shillings and pence which the king as advised by his privy council, might choose to decree; that is, the king alone could increase or diminish the volume of money at his royal will. After the Act of 1666, the money in the kingdom consisted of all the pounds, shillings and pence, only when coined of gold or silver of a certain weight and fineness. As this act opened the mint to "private coinage," so that

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bullion could be manufactured into legal tender coins at the bidding of private individuals, and as legal tender coins could be melted down to bullion by anybody, without hindrance or expense, the coins of the realm could be, and in fact were frequently augmented in volume by "private coinage," or reduced by exportation or melting."

"Before the royal prerogative of money was surrendered, the volume of money was uncertain, because the king chose frequently to change it; but it now became of still more uncertain dimensions because the goldsmiths and merchants had it in their own power to swell or shrink it so as to make it subserve their selfish interests. This they have alternately done, sometimes by melting down into bullion, but usually by hoarding and exportation. As concurrence of action was essential to the carrying out of these policies, there grew up at once that class of universal bankers and cosmopolitan financiers who now govern the markets of the world."

"Macaulay has described the advent of this class, but he has omitted to mention the mischief they wrought upon the monetary system of England."

"To remedy this mischief the great Bank was created; and out of the great Bank arose numerous smaller banks; then, finally, an irredeemable paper money system; during which time silver was demonetised, but as yet without any very harmful consequences, because the French, the American, and other mints were still open to coin the discarded silver metal into money."

"During the American Civil War of 1861-65, these universal financiers got hold of one thousand to fifteen hundred million dollars in United States bonds at half price, and they at once started a movement or intrigue which had for its object the raising of these

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bonds to par in gold." These were the bonds referred to in the message of President Johnson, in which he declared that they had already been paid the purchase price, and recommended that the interest for sixteen years and eight months be computed on the principal and paid in semi-annual installments, and the debt cancelled. For this he was denounced as a dishonest repudiationist.

The chief obstacles to the scheme of the bondholders were the mint laws of France, England and the United States. They procured the alteration of the mint laws in France in 1867, in England in 1870, in the United States in 1873.

"These alterations deprived the debtor of his previous option to pay in either gold or silver coins, and confined him to gold ones alone. Moreover, they prescribed and endeavored to prescribe for all time, the weight and fineness of such gold coins. By these means they claimed to have converted a debt of francs, dollars or pounds, into a debt of gold metal. They not only altered the conditions, incidence and weight of the debt, they pinned down all the great states of Europe and the Western World to the future use of gold coins of a given weight and fineness, and thus mortgaged posterity to conditions so onerous that they may be either bound by them or obliged to suffer what may prove to be a ruinous alternative."

Alexander Delmar.

The term "unit of value" was first used in an essay by Joseph Harris, Master of the Mint of London, in 1857. There is no such thing as unit of value. Value is neither a thing nor an attribute of things; it is simply worth in transmission or transmissible by exchange, and, when a money measure is used, is numerically indicated by money symbols called price.

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The money measure differs from all other measures in the following respects:

Money is used to measure the value of money and different things at the same time—a yard stick is used to measure the length of one thing at a time; money measures a dynamical and variable relation—other measures, quantitative or qualitative attributes; money determines by measure an equitable relation—other measures, quantities which have no necessary connection with equity; different money measures instantly amalgamate into one money—other measures do not. All measures are arbitrary, and to measure with precision must be of fixed artificial dimensions. To become a precise measure of value, money must be made a fixed artificial, numerically defined, volume.

The precision of all measures depends upon the exactness of their limits, not the substance of which they may be composed. The efficiency of money to fill the purpose of an exact and equitable measure, depends, not upon the material of which it is made, but upon a numerical volume, definitely fixed by law, sufficiently large to equitably divide the aggregate worth of services and commodities.

We have discovered that money is not a measure in the sense that a yard stick or a pint cup is a measure. They are entirely separate and distinct from what they measure; but in the case of money, *it conceals value in its representative worth*; the value so concealed is indicated by the numeral denominations of the money. *When the representative worth of money is exchanged for the actual worth of commodities, the money passes into the hands of the seller, and still retains the same amount of representative worth.* The buyer gets the value which was measured and transmitted to him, and the money passes into the

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seller's hands without its representative worth being in the least affected. You do not exchange pint cups for pints of water, nor yard sticks for yards of cloth; *but the representative worth of money is the envelope, so to speak, for the transmission of value.* When any portion of money is destroyed, the worth of commodities is not in the least affected, and the representative worth of the remaining sum of money immediately becomes equal to the aggregate actual worth of commodities.

Del Mar says, "An attempt to explain value through the medium of price, indirectly points to the numerical character of the former," and he, therefore, concludes that value is "an arithmetical relation."

Worth is the intrinsic qualities of commodities for man's utility, consumption or adornment. The worth of services consists in the production of commodities or augmentation of personal comfort. Value relates to exchangeable things, and to things regarded as being exchanged, to all other commodities and services.

"Exchanges are effected by price. Price connects the commodity to be sold or bought with the prices of like commodities being exchanged or exchangeable; and price is also influenced by the sum of money in circulation; and the price of any particular commodity is affected by the prices of all other commodities." Price is variable, but value, like worth, does not change, except from the natural causes of supply and demand. When a commodity goes up or down in price it is incorrect to say that it goes up or down in value. Price is extrinsic to worth or value, and is not in any way connected with the physical properties of commodities or the difficulty of producing them. Price is a numerically expressed, concrete term; value is an abstract one.

Value, as an abstract term, is no more capable of

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definite comprehension than time or space. If time and space are numerical relations, so is value; for neither can be understood unless numerically expressed by an artificial numerical measure. The measures of time and space are arbitrary and comparative, and so is the measure of value. No cause can be assigned for time or space, but value finds its cause in worth, and its measure is reached by the comparative worth of different commodities. Del Mar says:

"Value only appears in the social state, and merely applies to exchangeable things."

Though value is its basis, exchange has a social origin. "Society is held together by a series of exchanges. It is impossible to conceive of society existing without exchange, or exchange without society. In an isolated state, denied the benefits of exchange, man's wants exceed his powers; but in the social state, through the use of exchange, his powers exceed his wants."

Cost is simply the price paid for anything; therefore exchange is based on value, not cost. The parity of values is governed by the comparative worth of commodities. Value and "unit of value" are terms familiar to the law, but neither has ever been legally defined.

A very long list of attributes have been falsely attributed to value; as—utility, desirability, temporary, positive, negative, relative—which are attributes of worth and not of value; and difficulty or cost of production, exchange, market—correctly apply only to price. Money possesses none of the attributes of worth except in a representative way. Money possesses no utility in itself. It is therefore incorrect to speak of using money. It can be spent, but it cannot be used. When one man says to another that he wants the use of ten dollars for a few days, he means

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that he wants the loan of ten dollars for a few days that he may spend it in the payment of debt or the purchase of something, and that he will return to the lender other ten dollars.

True, the precious metals, gold and silver, can any time be used in the arts, in jewelry, ornamentation, etc.; but when coins are so used, they are used as commodities and not as money. That fact alone is sufficient to refute the commodity theory of money.

"When, in the process of time, the term 'unit of value' was seen to be objectionable, it was changed by money writers to 'integer of money,' or 'unit of money,' or 'monetary unit,' and in the effort to designate what that unit was, they attached to it the principal coin used in each state, as the franc in France, the sovereign in England, and the dollar in the United States. This blunder was much worse than the first, because it assumed that money had commodity worth, and that its power to measure value depended upon the quantity and fineness of the metal in the so-called 'unit'."

Alexander Del Mar says, "To say that price is value expressed in money is to give a definition where an explanation is required." Mr. Del Mar got nearer to scientific money than any other monetary writer; but he, like the others, failed to restrict his terminology, and therefore his reasoning is confusing, and often contradictory. Price is not value in any logical sense; it is only the numerical expression of value as measured by money.

Del Mar again says, "If in a given community it were necessary for the purposes of distribution to transact a thousand exchanges per diem, if the subjects of each exchange proved to be of equal value, and the money of such community consisted of a thousand sovereigns, with a circulating velocity of once

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a day, the price of each commodity or service exchanged would necessarily be just one sovereign, no matter whether the sovereigns cost little or much to produce, no matter whether they were made of gold or glass." This illustration proves that price is governed by the volume of money and the rapidity of circulation. We have never seen a finer reasoning. The only error which he makes in this illustration is where he says "if the subjects of exchange proved to be of equal value." He should have used the term "worth" instead of "value." *If the commodities and services to be exchanged are of equal worth, with an unvarying volume of money and an unvarying number of exchanges in time, the value of each, as expressed in price, which is the numerical expression of value as measured by money, would be the same.*

The cost of producing a commodity, or its scarcity, may become an intrinsic element of its worth, and thereby influence its value as expressed in price; but as Del Mar correctly says, "price is mostly influenced by the volume of the circulating medium in time and the sum of exchanges in time."

John Stuart Mill said that "the value of money is inversely as its quantity multiplied by what is called the rapidity of circulation." He was striking very close to the scientific truth of the matter, but he is here guilty of the unscientific confusion of terms. A scientific money has no intrinsic worth, hence it cannot have any value. And his use of the word quantity, instead of volume shows that he had not gotten away from the false commodity theory. It is easy to see what Mr. Mill had in mind, and it is unfortunate that he should be so near the truth and yet fail. *Had he said that the representative worth or purchasing power of money is inversely as its numerical volume multiplied by what is called the rapidity of cir-*

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culation, the statement would have been scientifically correct.

"Under existing law the only limit to the volume of money is the uncertain one of supply, commonly called 'money supply,' which is left to the chances of commerce and of war, the caprice and intrigues of the money kings, the uncertainty of mining discovery and development, the manipulations and speculations of so-called financiers, the variableness of crops in the different countries, social conditions, and current of trade, the melting down of coins for use in the arts, the abrasion and the loss of coins,"—but more than all, the centralization of money in the money centers by controlling banking methods, and the large credit currency at all times subject to contraction at the will of the banker and money lender.

The demand for money is based upon its supply and the opportunities for its profitable investment; and as these opportunities have come to be controlled by large corporate combinations in the restraint of trade, the independent investor is at their mercy. The need for money should govern the demand; but under the present system the demand is controlled as just stated.

No matter how much a man may need money, he cannot afford to borrow it if, by doing so, he is compelled to suffer loss. Both the demand for money and its supply are controlled by private corporate combinations instead of by social need and government regulation.

The term "value" is habitually erroneously used in the sense of price. Value does not fall or rise. Price, which is the numerical expression of value in money symbols, does fall and rise, because in our monetary system the supply of money constantly varies. Value is worth in transit, or worth in its kinetic form. Nei-

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ther value, nor the "unit of value," are defined in law.

The world's stock of gold coin and bullion is about \$6,000,000,000. About one-fourth or \$1,500,000,000 is held in reserve, leaving a remainder of \$4,500,000,000 supposed to be in circulation. Gold having been made by law the money of final payment, it is, in fact, the only real money; it is therefore capable of taking up all the credit currency of whatever kind; in which case it would contain in itself the representative worth of the aggregate of the world's commodities.

Below is a compilation, made from the report of the director of the United States mint, up to January 1, 1904. The countries owning these money stocks were:

United States of America, Austria-Hungary, Belgium, British Empire—Australasia, Canada, United Kingdom, India, South Africa, etc.

Bulgaria, Cuba, Denmark, Egypt, Finland, France, Germany, Greece, Hayti, Italy, Japan, Mexico, Netherlands, Norway, Portugal, Roumania, Russia, Serbia, Siam, South American States, Spain, Sweden, Switzerland, Turkey, Central American States, China.

Estimated population of the countries at that date, 4,298,500,000.

Stock of gold.....	\$5,987,100,000
Stock of silver.....	3,130,400,000

The world's production of gold and silver for the calendar year was:

Gold	\$16,780,913
Silver	\$168,390,238

The coinage of the nations for 1904 was:

Gold	\$455,427,085
Silver	172,270,379

Since the discovery of America, 1492, and up to 1904, the gold production amounted to \$10,950,120,-

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500. The silver production at coinage worth, was \$12,074,591,100. The question is, what has become of it? The estimated stock of both metals in the countries of the world is but little more than half that amount. And according to the estimated amount of gold in circulation, there is of it only about one and a half dollar per capita. The interest on the bonded debt of the United States in the last 44 years is more than the estimated gold stock of the world. And while gold coin of a certain weight and fineness are constituted the so-called money standard, all forms of currency being redeemable in gold, any paper notes, or other forms of currency that cannot be converted into gold, are worthless as soon as their non-convertibility becomes known. Those who own the gold have it in their power to force upon the country at any time, an insupportable condition.

The effects of a false monetary standard unattainable by the people is illustrated by the following:

"The hides of cattle was the money of the Frisians, a people who dwelt beyond the Rhine. When they were conquered by the Romans, their first Roman governor, Drusus, allowed them to pay their taxes in hides, without specifying their size. But his successor, Olennias, made the hides of the Uri, wild forest bulls, the standard. The domestic breed of cattle were much smaller than the Uri, and therefore not acceptable. The Uri were of limited number, running wild in the forest, requiring the time, patience and skill of the huntsman to procure them. While hunting the wild bulls, the tillage of the soil was neglected, and the result was distressing want and poverty. Their property and lands first went to pay taxes; then, finally, their wives and children were sold into slavery."

Since the practical demonetization of silver, some

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monetary writers refer to coined silver as "silver tokens," signs of money, having the appearance of money only. Great Britain has of silver tokens \$112,000,000; France \$490,000,000, Germany \$215,000,000, and the United States has \$625,000,000 silver tokens, and \$500,000,000 legal tender notes, all of which, in the United States, they will tell you is full legal tender except about \$75,000,000, but none of which is legal tender by practice in the transactions of government. The law, as it now stands, says the silver dollar is full legal tender; but the law is nullified by not being enforced.

The Act of January 26th, 1819, providing the legal tender of silver coin, limited the silver dollar to five dollar payments. This is the first suggestion that fractional silver be made subsidiary.

The facts of history are that the exportation of gold alone does not cause the serious distress which has always followed the exportation of silver.

Secretary Ingham urged the adoption of silver as the standard because contracts in the country had for years been based on the silver dollar, and silver could be kept at home by reducing the mint value of gold. Gallatin, secretary of the Treasury under Jefferson, favored making silver the standard, because "It was then the standard metal, was more abundant, required a greater premium before it could be exported, and was the best means for suppressing small notes, the worst form of paper currency."

It is a well known fact that the commercial ratio of gold to silver did not equal our coinage ratio until 1874, silver all the time commanding a small premium. Under our present system, bank clearings and discounts are said to indicate the volume of exchanges, and the shipments or movements of gold the increase or decrease of money in circulation at any time in a

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particular state, showing the changes in prices affecting the purchasing power of money.

"The enactment of the law of 1666, which destroyed the scientific character of money as a divisor of worth and measure of value and surrendered the regulation of its volume into private hands, enables those hands, through the powerful agency of a corrupted money system, to grasp control, not only of all metallic money, but by alternately swelling and shrinking the volume of the credit currency, to gather to themselves the profits of production and the undue share of all wealth."

"One of the many tricks employed by so-called financiers has been the frequent changing of the ratio between gold and silver, and ascribing it to the work of nature, the operation of the market, to monetary evolution, the law of natural selection"; to many other fanciful causes; but never to the true one, the manipulations of the money lenders themselves, as is abundantly proven by the petitions, cashiers and plakkarts of the periods to which they refer. Sometimes they changed the material of full legal tender coins from gold to silver or from silver to gold. They have issued what purported to be convertible notes on conditions which rendered their conversion impossible; by monopolizing the products of the mines, shipping bullion to and fro, the transference of securities, making loans or calling them in, they have been able to swell or shrink the volume of money in particular states as suited their interests. Their gains from these operations have been inconceivably large, and being directly drawn from the channels of industry, the producing classes have been impoverished and reduced to a state of vassalage,—the profits of all their toil are paid as a tribute to the money lords.

With a scientific money such operations would be

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prevented, and the honest laborer receiving a just return from his toil, would have that share in the comforts of living to which he is entitled.

Since silver was demonetized and gold made the money of final payment, the only real money under our present system, it has been peculiarly fortunate for the laboring classes that the world's production of gold in recent years has greatly increased. It looks as if Providence had interfered to lighten the burdens of the people. Had it not been for the unexpected increase in the production of gold, before now there would have resulted a condition of poverty and distress intolerable to human endurance, and unparalleled in the history of the world. Notwithstanding the increased production of gold, if the present robber system is continued, the time is not far distant when a few men will own all the gold, and the producing classes be at the mercy of their extortion and oppression.

This is no speculative exaggeration. Already one hundred men in the United States can be named, whose combined money holdings are more than half of the nation's wealth. They have monopolized all public utilities, mining and manufacturing. Air and water have hitherto been referred to as free; but the water supply of the cities has for years been monopolized by private individuals; and having wasted the timber of the forests and the coal under the ground, they see that water power in the future must take the place of steam, for lack of fuel, and just as fast as they can, they are monopolizing the water power of our rivers.

President Roosevelt's message to the Congress in 1908, when he laid bare this matter, was the most important of his administration. The near future will see airships perfected, and as soon as they are, they

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will be monopolized, the heavens will be carefully mapped, and franchises secured on the air spaces above us, in which to sail their airships. Thus are the people robbed of the benefits of improved methods of production and invention, chiefly by means of our false money system.

Money is too great a power, its agency for good or evil too comprehensive, the happiness and welfare of the people too vitally and inseparably connected with it, for its control to be entrusted to private individuals, who invariably employ it for their own selfish interest, to the oppression of the masses.

The Government should and must control money. There must be an abandonment of private or so-called "free coinage." Justice, and the welfare of the industrial classes, demand these reforms at once. Coinage, the making and regulation of money, is the proper, constitutional prerogative of the Government alone.

Directly connected with the Treasury Department, and completely under its supervision, should be a central government bank of issue, and it should be the only bank of issue, that money might be fixed and maintained at a definite volume, so that values would at all times be measured with equity and precision, and the stability of price's secured. Then, with a limit placed upon individual fortunes, and monopoly of public utilities prevented by Government ownership and control, the hoarding of money by private individuals could never be of sufficient extent to seriously disturb prices.

"King Charles of England rewarded and encouraged the pirate Morgan, finally conferring upon him the distinction of knighthood, apparently for no other reason than to attract into the coffers of the London goldsmiths the metal upon which such evaded imposts

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would have been levied. At the same time he forbade the coinage of silver at Boston, Massachusetts, and completely surrendered to the London goldsmiths the royal prerogative of money. Thus he bargained away the measure of value upon which has ever depended and will still depend, the sharing of public burdens and the distribution of all wealth." "Under this legislation the royal prerogative was placed in abeyance, and beyond the power of the crown simply to determine the ratio between gold and silver, the Government practically gave up all control of money. Even the power of the crown over the ratio was suspended in 1816. In this manner was silver demonetized in England, and the control of money surrendered to private hands. By the operation of an obscure and unnoticed clause in the Mint Act of 1870, all that remained of the power reserved to the crown to terminate the suspension of its right to regulate the ratio was removed; and thus, the last remnant of the royal or Government prerogative over money passed into private hands. Practically since 1816, the measure of value, for the vast transactions of the British Empire has been metal controlled in volume and ratio by private individuals, instead of money which may be limited in volume by legislative enactment, and counted by tale instead of by weight and fineness."

Money has therefore been practically given to the control of a class whose chief interest is to make both it and the Government, through the power of money, subservient to their own selfish advantage. "From the day the royal voluptuary resigned a prerogative which, more than any other, pleads for kingly or Government control," to the present, the commercial community has been subjected to alternate periods of monetary contraction and expansion, in which the profits of production in one period are stolen from

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the people in another. In the suspension of banks of issue, losses have occurred to note holders and others, amounting to more than all the gold and silver in the world, several times over. Not only this, the surrender of the prerogative of coinage has estranged the people from fidelity and loyalty to the crown and the Government; and the disintegrating effect on society is alarmingly apparent. On account of it, the peace and autonomy of governments are in jeopardy.

It is a common saying that "supply and demand control prices." *With a scientific money of fixed volume, supply and demand would determine worth and value, and thereby prices;* but with a commodity money of indefinite volume, controlled by private individuals who can at will contract or expand it, prices rise or fall according to the volume of money in circulation.

Value, which is worth in transmission or transmissible by exchange, is entirely independent of the cost of production; therefore price, which is the numerical expression of value as measured by money, is not influenced by "cost of production." Sometimes by artificially cutting down the supply, or by increasing the demand, the increase in price is charged to "cost of production," but such charge is false.

"Cost of production" is a stock argument of market manipulators, but control of prices by that means is illogical, and, with a scientific money and the prevention of combines and monopoly, practically impossible. Mr. Delmar says that "money measures value by expressing it in price." Again he is so nearly correct that it is a pity he is wrong. *Money measures value by concealing it in representative worth, as in an envelope, and price expresses, or indicates, the value in numerical money symbols.* He says "Price is the numerical relation of commodities ex-

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pressed in money symbols," when, as we have shown, *price is the numerical expression of value as measured by money.* The number of commodities to be exchanged, together with the number and rapidity of exchanges, their intrinsic worth in the aggregate divided by the numerical volume of money and the value of each commodity and service thus determined and measured by money, gives its logical price.

Mr. Delmar's definition of price applies as part of the definition of value, but becomes at once illogical when applied to price. The purchasing power of money is not only greater or less, according as the volume of money is inversely less or greater, but is also greater or less as determined by the slowness or the rapidity of exchanges, called in this case "rapidity of circulation." Our merchants watch the bank clearings and discounts because they indicate the increase or diminution of the number of exchanges called trade, their value as measured by money, which is a controlling factor in the establishment of prices.

The shipments or movements of gold, as the law of money now stands, show the shrinkage or increase of money in any particular state. Gold being the only real money under the present system, merchants regard with alarm its exportation, and are apprehensive of all its movements; but if we had a scientific money, merchants would not have to watch the distracting changes in the money volume, as indicated by the "money market." For a scientific money, being simply a numerical measure of definite volume established and controlled by the Government, and not a commodity controlled by private individuals, there would be no "money market" to watch; and merchants could give their whole attention to the legitimate exchange of commodities, and leave the regulation of money to

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the Government, where, by constitutional, and every other right, it belongs.

Exchange is a social act. No man can exchange with himself. Exchange, therefore, implies society. Exchange is based on equality of values, and has its origin in the social needs and wants of mankind. Mr. Delmar says, "Value is the basis of exchange," where again he makes a mistake; for, as we have just shown, *exchange, instead of being based on values, is based on equality of values.* This distinction may appear trivial; but it is impossible to have a correct understanding of anything unless the definitions of it are carefully defined and restricted.

Aside from its scientific character, money is a social instrument, invented by man for man's convenience in making exchanges of commodities; and likewise, "exchange is the cement that holds together the fabric of society. We cannot conceive of society existing without exchange, nor exchange without society."

The simple exchange of commodities, one for another, is based upon their relative values, and not upon their cost. This simple exchange of commodities is termed barter. The nature of the commodities exchanged, other than their relative values, has nothing to do with the principle of the exchange. In the matter of barter there is little regard for precision, and it begins and ends with an isolated transaction. Money is designed to measure the value of things with precision and equity. Barter is a crude measure of value for the use of individuals. *Money is, or should be, a scientific measure of value for the exchanges of a nation.*

Money intrinsically has neither worth nor value; but it has representative worth, and the possessor of money is entitled to a certain amount of worth as divided by money. When a man having money wishes

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to exchange it for worth, he finds the worth he wants either in commodities or services, which are rendered exchangeable in the form of value, the measure of that value in money is indicated by price; he pays the price, and the commodities or services then belong to him.

For the very reason that money has representative worth, when value is measured by money, the instrument of the measure passes from the hands of the buyer into the hands of the seller. This particular feature of representative worth, when giving money for a commodity as if it were another commodity and a matter of barter, is doubtless the chief foundation of the false theory that money must of necessity possess intrinsic, commodity worth.

A scientific money, placed against the aggregate of worth, as a divisor of the same, becomes as perfectly and truly representative of that worth as the precious metals under the commodity system of money; and this entirely independent of any intrinsic worth in the money.

Under the scientific theory of money, when anything of a definitely fixed numerical volume is monetized by Government edict, it is no longer a commodity, but money; and, as money, a legal representative of worth. The Government stamp upon coin of the precious metals, bronze, copper, or any other metal—or upon paper, together with the legislative enactment that the money so stamped shall be receivable for all dues, public and private, makes it money; but without the monetizing authority of the Government, it sinks at once to the level of a commodity. Such was the case with silver; when it was demonetized, it dropt at once to the level of commodities.

The commodity theory of money invites private manipulation and control. Commodities, singly con-

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sidered, are neither stable in quantity or number, and when used as money with the false theory of intrinsic commodity worth, may change, or be changed, in volume and purchasing power to a ruinous extent; "so that prices, if couched in such commodity, may differ enormously, even in adjacent places; and contracts based upon a commodity current in a past generation may serve to enslave the present one." Barter and the commodity theory of money, reduce the producing classes to a condition of poverty and slavery; but *a scientific money would mean freedom, and an equitable distribution of wealth.*

It is a strange fact that the ancients had a correcter and clearer conception of the science of money than moderns. They made money the measure of value by law or royal authority, and they made the "god of freedom" likewise the "god of money." The name of this god was "Liber Pater," and his name, synonym, effigy or symbol, is found on most of the ancient coins.

The commodity theory of money stimulates the avarice which drives a people to despair. Whenever a tribute is levied upon a people beyond their ability to pay, poverty and ruin is the inevitable consequence. Private or "free coinage" of the precious metals has reduced the monetary systems of the western world to one of barter, which in the United States is little more than a system of barter for gold.

In England, since 1666, the limit to the volume of money has been the produce of gold and silver from the mines, less the amount of these metals absorbed into the arts, plus the paper note currency used as a substitute for money. It is commonly asserted that the increase in commerce gave rise to open mints and private coinage. The increase in commerce was made an excuse for it, for the following reasons: The commodity theory of money being the accepted theory

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upon which our monetary system was based, and gold and silver coins of a certain weight and fineness, finally gold alone made the only money commodity, the effort was made to encourage an increased production of the precious metals to meet the needs and requirements of an expanding and growing commerce; but the very laws intended for the benefit of commerce defeated the end in view, by giving the control of money to private hands.

The trail of gold is one of wars, bloodshed, crime and death. When gold was discovered in California, in the mad rush for the gold fields the road across the western plains could be traced by the bleaching bones of men and animals. The same may be said of Alaska. The infernal machinations of devils never planned a greater evil to mankind than the theory that gold alone is money and its volume determined by weight and fineness.

The increase of commerce, referred to above, so far outstripped the supply of gold and silver that paper notes began to be used as substitutes for money. Paper notes, under our present system, are not money, but a substitute for money, or promises to pay; but in the transactions of trade they are used in place of money, and their use has so increased that "from a few notes first issued by the Bank of Sweden, that in 1829 the proportion of paper notes to gold and silver was twenty-five per cent.; which rose in 1873 and 1876 to thirty-nine per cent.," and at the present time constitutes fully sixty-five per cent. of the total circulation.

The doctrine that money consists of merely pieces of metal stamped by the Government only to certify their weight and fineness, and that their worth as money is derived from the cost of producing such metallic contents, was unknown to antiquity, and took its

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rise in what is called the "Mercantile System," in the 16th and 17th centuries. Its utter fallacy can easily be demonstrated.

"Erase from coins, or from paper notes, that line of the law which gives names and legal tender quality (almost the only remaining relic of the ancient institution of money), and money would cease to exist." Alexander Delmar.

The existing system treats worth as a thing, and gold as that thing; when worth is not a thing at all, but consists in the intrinsic quality of commodities and services which meets human needs, wants and desires, as determined by their usefulness, their necessity, or their desirability; and value is that worth when in transmission or transmissible by exchange; therefore, *worth that is not transmissible by exchange has no value.*

In law and custom, worth is called value, and value, worth; hopelessly confusing to the understanding. For instance, the law ascribes value to money, when it means *representative worth*; it declares the gold dollar the "unit of value," when it means (if it means anything) *the unit of representative worth*; for under a correct definition of money it has no value. How is it possible, then, to make a unit of something that does not exist? Under the present system of money, there is no fixed limitation to the volume of money; therefore, it is impossible to fix a unit of representative worth, or unit of money in its true sense. "Still the law ordains that each one of its numberless so-called 'units of value' called dollars, etc., shall be the measure of value in every exchange; and it also compels these so-called 'units of value' to be accepted in lieu of commodities and services, and for taxes, fines, and judicial awards. The law says, practically, 'You shall pay a unit of something which Aristotle never

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discovered; you shall be taxed ten units of something which is not described in the present law, and of which every one at the present time has a different conception.' "—*Alexander Delmar.*

Money being an institution of man's creation, governments can make its volume larger or smaller at their pleasure; and under the present system, private individuals can make the volume more or less at will for their own selfish advantage; while such is the case, it is impossible for money to be a precise measure of value.

The measures of time and space are arbitrary standards, but they are definitely fixed by human laws; therefore, they measure with precision; but money has never been scientifically determined and limited by law, and hence it is at all times an imperfect measure of value, and often unjust as well.

Mr. Delmar says, "The value of money varies inversely as its quantity. Here again Mr. Delmar's idea is correct, but his terms are confusing, because erroneous. Had he said *the representative worth or purchasing power of money varies inversely as its numerical volume*, his statement would have been correct.

When left to the natural operation of economic law, the prices of commodities as compared with services have a tendency to fall. It appears to be a compensative law of nature seeking to equalize the inequalities of fortune, and to rectify the defects of distribution. Only one way has been discovered to defeat that benign economic law, and that way was discovered by the money lenders. It was to alter the ancient and scientific law of money, to wrest its control from the Government, to acquire for themselves the privilege of private coinage, to turn money into some commodity of limited supply which they could

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control, and to require that taxes, debts, and contracts shall be paid in specific quantities of that commodity. And they settled upon gold as that commodity; by monopolizing which they have reversed the economic law of nature in so far that, while they were unable to prevent the comparative increase in the worth of services, they have prevented the producing classes from realizing the full value of their services, because that value is measured by their monopolized commodity, gold. They are, therefore, able to purchase services at an always declining price.

Instead of production governing price, it is precisely the reverse; *price governs production*. Price may be reduced to a point where production must of a necessity cease; or by increasing the price, production may be encouraged.

The definitely fixed measures of time and space measure with scientific certitude, and a scientific money would measure value in the same way. We never think to question the accuracy of the measures of time and space, because we know those measures are correct and never vary; and money should be just as scientifically determined and limited; then there could be no question as to the precision and equity of the money measure, or as to what is or is not, money.

But it may be supposed that even with a scientific money, credit obligations between individuals would continue to be expressed in notes and checks, and would be substituted for money to a very limited extent; but such obligations would be an entirely individual matter, and made at individual risk. It might be possible to prevent individual credit, but to do so would restrain the freedom of trade. All that is practicable is to obviate the necessity for credits, and that a scientific money would accomplish.

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No acknowledgment of debt is money. Money is national instead of individual, and to be scientific, money has to be definitely limited in numerical volume, and controlled by government.

Money grew up out of social convention, and law interfered to govern its evolution; therefore, law and convention is the foundation of the different monetary systems. In evolution there should be a perpetual progress toward perfection; but where human intervention may enter to aid or retard, it may cause retrogression instead of progress. This is exactly what has happened to money. Unfortunately, the law of 1666, in adopting the false commodity theory of money, set back the evolution of scientific money for an indefinite period of time. The laws enacted since that time have tended further to obscure the true nature of money, to pervert and corrupt its use, so that the retrogression has continued.

While it is impossible to construct a perfect or just monetary system on the false commodity theory, yet the Congress could, by wise laws, make several beneficial improvements in our present system.

Take for instance our national banking system, which was adopted in 1864. It is founded almost altogether on false theories, particularly the one of securing one debt with another debt, and calling it money; but if it is to continue, several important changes should be made. The Comptroller of the Treasury should be given full administrative power over banks, and his orders for their regulation should have all the authority of law. Thus invested with legal power, he could correct dangerous practices, and stop the violations of banking laws. A law should be enacted giving greater security to creditors and depositors of banks, by prescribing limits to the discount of commercial paper and bills of exchange; by

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putting a tax upon banks to create a fund for the guarantee of deposits.

Experience has shown that the majority of bank failures have been caused by the concentration of funds in the hands of single or allied interests, and this practice should be prevented by law. Ample provision for the enforcement of these laws should be made, by giving a plentitude of authority to the Comptroller of the Treasury.

In the absence of any law for the guarantee of bank deposits, and the inadequate and imperfectly defined powers of the Comptroller, the most that he can at present do is to appeal to the conservative judgment of the directors of banks, not to make loans or discounts in excess of the statutory restrictions.

We have laws which were intended to secure the safety of depositors, but there is no adequate provision for their enforcement; with the result that the temptations to "frenzied finance" and speculation increase, and banking laws are constantly violated. The Comptroller now has practically only an advisory power; he should have more than that; because effective regulation of banks can be secured only by adequate administrative supervision.

CHAPTER XXI

MONEY A PUBLIC MEASURE OF VALUE—THE GREAT MIS-
TAKE OF SURRENDERING IT TO PRIVATE HANDS—
ABUSES AND EVILS OF THE COMMOD-
ITY THEORY

It has been said that "wealth has not the power to add to the largeness and liberty of life," but it has;

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and the want of it curtails and circumscribes life's privileges, blessings and enjoyments. However, great wealth tends to separate its possessors from the brotherhood and sympathy of their fellow men, to make true friendship difficult, to cause even the tenders of love to be suspected; it procures criticism if selfishly used, envy and hatred if used for oppression. In the main, through the private control of money, it has been used for oppression.

The demonetization of silver by Act of the Congress in the year 1873 was disastrous to the debtor class whose contracts were based on the silver dollar, and entirely in the interest of the money lenders. The large increase in the production of gold during recent years is a matter of alarm to the money lenders, "and already they have been discussing among themselves what means to employ to avert what appears to them a very great peril to their interests."

If the large and unprecedented production of gold continues, it would appear strange, but it is not improbable that the money lenders will demand that the mints be opened to the coinage of silver and closed to gold.

The great reduction made in the country's volume of money by the demonetization of silver, has been partly made up by the increased production of gold. This, together with the credit currency in circulation, has kept the people measurably satisfied until the present panic, produced by the contraction of that same currency.

Gold is kept out of general circulation. By the enormous consumption of gold in the arts, and the control exercised over it by the money lenders, any plethora of gold will be successfully prevented. In time of a money panic wages are the first to fall, and in the resumption of normal conditions they are last to

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rise, so that wage-earners are made to suffer most. Labor, agriculture, manufacture, trade, and professional services suffered great loss from the demonetization of silver, while a few thousand individuals who controlled the gold of the country amassed enormous fortunes.

"The demonetization of silver was secured by the intrigue of the money lenders and the cupidity or ignorance of unworthy legislators. The pompous Latin Unions, the Mint Codes, the Revised Statutes, etc., were traps set to catch the unwary and enlist the treacherous. Those dishonest schemes, surreptitiously employed, have uniformly been accompanied by an ostentatious clamor for "honest money." For more than forty years in this country the money lending class have dominated the financial legislation in their own interest and the widespread industrial distress is the baneful consequence. "For more than two hundred years the money lending class have used a Public Measure, the coins of the realm, for their own enrichment and aggrandizement. To accomplish this design they put aside all scruples of conscience and patriotism, and procured the altering of ancient statutes by treachery, bribery and dissimulation."

"Previous to the reign of the Stuarts, the entire institution of money was in the hands of the Government, where by every right it belongs. *Money is a public measure of value, and to measure with precision and equity it is demanded that its numerical volume be fixed and unvarying, entirely removed from private control,* and this can only be effectually done by Governmental authority. As long as private individuals are permitted to control the volume of money, they will make its purchasing power more or less, according to their own selfish interests. The control of money is an enormous power which the Govern-

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ment, in the interest of the people, cannot safely delegate or relinquish. The industrial welfare and happiness of the people is too completely dependent upon the kind and volume of money to allow its issue or control by private authority. "This just contention is sustained by an array of philosophical authority and legal precedent reaching back to the remotest era of the Greek republic."

The adoption of the commodity theory of money, the prostitution of the national measure to private cupidity, was the greatest mistake ever made by civilized nations, and had the most serious and far-reaching consequences. The effect was to substitute money lords for the feudal lords of the ancient monarchies, and the vassalage of the people has continued but little less complete; and the aristocracy of blood has only been changed to a plutocracy of money.

The assumption that the worth of coin is fixed by the cost of production is false. The theory that money must be a commodity of greatly concentrated worth, and that worth determined by the cost of production, cannot be true; for down to the sixteenth century the chief cost of coins was "rapine, slavery and murder"; neither have circumstances or cost of production anything to do with value which arises immediately from exchange, a social act.

The numerical volume of money is the main controlling factor over price; but the number of commodities to be exchanged, and the supply of particular commodities and the demand for them, are factors in determining their value by exchange. Production governs the supply of particular commodities; the supply and the demand which depends on custom and use, when not interfered with by monopolization have a regulating influence over worth and value.

There enters into the profits of production the ele-

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ment of reproduction. From a grain of corn planted you may grow an ear of corn; you may sow a bushel of wheat, and from it reap twenty bushels. The soil, cultivated, yields nature's natural increase, which is the only real wealth. Food, clothing, all the necessary comforts of living, come from the cultivated soil. Money, in itself, possesses none of these qualities. It has intrinsically no power of reproduction, yet legislation and convention have given to it a wonderful absorptive power in interest rates and money profits, which gathers to it with compelling force the increase of all production.

Whenever the contraction of the currency proceeds to the point of a commercial crisis, the practice of the Government has been to issue Treasury notes. True, it is only a bolstering up of a bad system, but it has to be done, not only in the commercial interest of the people, but to save the system itself. "A feast or a famine" applies to our money system according as the credit currency is increased or contracted.

The volume of money should be definitely fixed by the Government, relative to population, variety and extent of production. The New World with its vast resources of soil and forest, and mine, is being rapidly deflowered, and industrial conditions, when age of country and comparative densities of population are considered, are no better than in the Old World, caused by the greed of our money lords, encouraged and rewarded by a bad money system.

The 25th of February, 1862, the Congress of the United States passed an Act authorizing the issuance of Treasury notes, and for making them a legal tender for all debts, public and private, except customs duties and interest on the public debt. In the Supreme Court of the United States, at Washington, D. C., it was held in 1868 that legal tender Treasury

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notes were a good tender for gold and silver coin. *Brown vs. Rhodes*, 7 Wallace Reports. In 1869, the Supreme Court held that legal tender notes ("greenbacks") were a valid tender for dollars. *Hepburn vs. Griswold*, 8 Wallace Reports.

After the breaking out of the Civil War in 1861, in consequence of the failures of numerous banks and the purely local credit of the banks, and the restricted local circulation of surviving state bank notes, which formed the principal part of the circulation of the country previous to the war, the currency became greatly contracted. In 1862 prices fell so low as to occasion a profound depression in trade, and an unprecedented number of commercial bankruptcies. It was in this year that "greenbacks," or properly speaking United States Legal Tender Treasury Notes, were first issued. Almost at once, and as if by magic, trade revived.

Under the influence of the succeeding issues of these and other notes, trade continued to flourish, and conditions became more prosperous with the common people than were ever known before. The per capita circulation was more than doubled in the space of three years. With the close of the war the rehabilitation of the South, and the addition of several million population to employ the additional currency, the per capita circulation was somewhat diminished. The demonetization of silver following in 1873, the contraction of the currency continued, causing very great loss and distress.

The amount of money claimed to be in circulation becomes more and more misleading. For instance, it is maintained that there is more money in circulation now than there was in 1866; but the principal part of it is in the hands of monopolies, and the actual

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circulation among the common people is not half what it was thirty-five years ago.

Laws are the legal enactments of human governments, prescribing rules of action for human conduct, and the regulation of human affairs. They are wise or unwise as they conserve the ends of justice and promote the common welfare, or fail therein. A law, to be just, must be founded on a correct principle. A good law cannot be framed on a bad principle. The Government, with all its great power, cannot even by law change a scientific impossibility into a reality. It has endeavored by law to make metal money; but metal is a commodity, it is not scientific money, and no legislation can make it such.

It is true, as stated by Aristotle so many centuries ago, that money is an institution of law; but *to be real money in a scientific sense, it has to conform to the scientific principle of money, which is directly opposed to the commodity theory. The scientific principle of money is entirely separate and distinct from any substance. Its foundation is in abstract mathematics, a numeral measure of value and divisor of worth. The only use for any material for money is something on which to inscribe the concrete numeral symbols of which the volume of money is composed. The erroneous commodity theory must be eliminated.*

The Government alone has the prerogative of making money, and whatever it declares to be money has to be accepted as such, no matter what the material or the system adopted; but even with the fiat of law, it is not scientific money unless it is simply made a numerical measure of value, fixed in amount, and controlled by governmental authority. With the commodity feature eliminated, the material ceases to be matter for consideration except as to certain qualities

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fitting it for coinage impression, inscription, durability, convenience, etc.

Under the present commodity system prices of services and commodities do not simultaneously rise and fall together in the expansion or contraction of the currency. If they did, it would make small difference to the community; for the laborer could still, with his reduced wages, buy the same amount of commodities to live on; but the fact is they do not rise and fall together; wages are the first to fall, and the laborer must reduce his purchases. In case of expansion, the prices of commodities are first to rise, and the cost of living is enhanced. The wage earners are forced to lose either way. "This fact was first attentively noticed by Hume; it escaped the attention of Dr. Adam Smith, but was observed by Mill."

A scientific universal money cannot be established without a universal government. Such a government might be formed by federating the powers into one international government, on the same principle that the United States is formed. That could be done without affecting either the autonomy or the form of the different governments, simply by uniting in an international federal constitution, and establishing upon it an international Congress. A permanently established Federal Congress of the nations, based on an international constitution, ratified by the signatory powers, could make a scientific international money; but in the absence of such, the best that can be done is the adoption of an international money for international trade; that is, a money acceptable to the civilized commercial nations. *We wish it understood that our theory of a scientific money includes an international money for use in international trade, separate and apart from the money of governments.* The money of

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each government would thereby be kept at home and its volume maintained at a fixed standard.

The ablest logicians of all countries, from Aristotle to John Stuart Mill, have tried to define value. Modern writers have completely failed, because they have agreed that value is a thing when it is not. Alexander Delmar recognized this fact, but confused all his arguments by using value and worth interchangeably.

The influence of the velocity of circulation on prices was long since discussed; but in the discussion of the subject they have utterly confused their ideas in the unrestricted use of terms and their failure to understand the principle of *representative worth of money in which consists its purchasing power*. In 1691, John Locke wrote, "This shows the necessity of some proportion of money to trade; but what proportion that is, is hard to determine, because it depends not barely on the quantity* of money, but on the quickness of its circulation."

During the early part of the Bank of England suspension, Henry Thornton wrote, "It is on the degree of the rapidity of circulation, combined with the consideration of quantity, and not on quantity alone, that the value of the circulating medium depends." He uses the term value, when he means the representative worth or purchasing power of money, or the circulating medium. Also, like all the others, his deductions are taken from the commodity theory, and he uses the word quantity for volume. *Quantity belongs to commodities, but not to scientific money.* More than half a century later, John Stuart Mill wrote, "The value of money is inversely as its quantity multiplied by what is called the rapidity of cir-

*For scientific Money it would be **volume** instead of **quantity**.

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culation." Here he makes the same mistake as Thornton, by using the term value when he means *representative worth, or purchasing power.* *The purchasing power of money is inversely as its numerical volume multiplied by the rapidity of circulation.* In 1864, Alexander Delmar wrote, "With improved means of doing business, (including the use of credits,) and with increased rapidity in transporting money and commodities, a lesser quantity of money than formerly may be used for the same amount of exchanges, because the same pieces of money will perform a greater number of offices." This statement is correct in every particular, but its application is to the present system of money. With a scientific money there would be a full volume of money, and while credits would still be used limitedly, they would be quite unnecessary, and entirely of an individual character. Extensive credits used in the place of money is one of the principal evils of the present system.

Swan wrote, "The value to be measured is compared with a value well understood, just as a length to be measured is compared with a length well understood; but there is this difference, that while length is a physical property, and quite fixed in a given article, value is only a human estimate of desirability, and must be to some degree of a fluctuating nature, even as regards the same article." This statement is unintentionally involved. *The comparison made is between the values of other like commodities, and not with the money measure.* After the comparison is made, the value is measured with money. His next, that a length to be measured is compared with a length well understood, is also confusing, though intended to be plain. The measure that measures length measures width or height as well. The purpose is

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to determine the dimensions of an object, and the comparison made is between like or unlike dimensions of other objects, and not with the instrument by which it is measured.

An instrument to measure length does not necessarily have to have height or width, and a hair will measure either as well as a yard-stick. We do not say "so many yardsticks of cloth," nor "so many yardsticks of land," nor "so many yardsticks of water," nor "so many yardsticks" of anything. We may say "so many yards of cloth," but the stick is not mentioned, because cloth is made of fibre woven in a loom, and not of yardsticks. *It is no more essential to measure value with value than it is to measure cloth with cloth, or land with land.*

The apparent purpose of Mr. Swan was to show that it required length to measure length, and value to measure value; and that is just where the false commodity theory of money enters. Worth, which is a human estimate of the usefulness or desirability of a commodity, is influenced by custom, supply, and demand, which cause a natural fluctuation in values and a corresponding change in prices, even with the same volume of money; but these natural fluctuations mostly apply to some particular commodities, usually of ornamentation rather than usefulness, and the worth and the values of commodities, taken all together, particularly the necessities, vary very little.

The fluctuations, then, are of price and not of value, caused by the changing volume of money in circulation, which is an artificial cause instead of a natural one. The certification of fineness and weight is essential when the metals are used as commodities, but is not only unnecessary in a scientific money, it is in direct opposition thereto.

After the commodity theory of money was estab-

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lished, impecunious rulers yielded to the temptation to speculate by altering the ratio, weight or fineness of the metals; but the chief beneficiaries of such speculation have been the money-lenders, who have controlled the money commodity to make it more or less, and have through that power enslaved the people, debauched public morals, and corrupted governments.

The plea for private privileges in matters affecting the public welfare that they are essential to personal liberty, is an illogical sophistry. Whenever private individuals are permitted to control any public measure or policy, the people therein surrender their rights. *Government is the only security of personal liberty which must be subordinated to the superior rights of society.* The granting of private privileges in contravention to the right of society is the very thing that destroys personal liberty. *The people rule in the voice of government that correctly expresses their will, and the more centralized and powerful that government, if it be truly representative, the more complete their authority, the more secure their liberties.*

The usurpation of public functions by private individuals is destructive of freedom; control should be in the government alone. Then, if the government be truly representative of the people, the aggressions of private monopolies will be prevented. Above every other government function in importance to the public welfare, is that of making money and controlling it for the common good.

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CHAPTER XXII.

AN IDEAL SCIENTIFIC MONEY DESCRIBED.

The "greenback" advocates of a few years ago, though so much abused and decried by the "sound money" theorists, were on the track of scientific money; but they lost the trail because they were unable to get away from the commodity idea, in that they recommended the issuing of demand notes, overlooking the fact that they were a debt against the Government, only a promise to pay money, and if the debt were paid the notes would be cancelled. Furthermore, if the debt were paid, the people would have it to pay, because, under the present system, the only way the Government can raise money is by taxation, which comes off industrial production. *With a scientific money system, it is the province and the duty of the Government to issue real money—not demand notes—and to put the same in circulation through government banks as a part of the system.*

With a credit currency under the present system it is necessary for the Government to make purchases the same as individuals, in order to put its notes in circulation.

An ideal scientific money would be a GOVERNMENT MONEY for each Government, issued by the Government, to be used exclusively for home exchanges, the payment of all home debts and public dues. In addition to this, there should be an INTERNATIONAL MONEY issued by an international congress, sufficient to meet the needs of commerce between the nations. When-

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ever this INTERNATIONAL MONEY happens to get into local circulation, it should be current, dollar for dollar, with the GOVERNMENT MONEY; but as fast as received into banks should be remitted at once to the central government bank for deposit, to be paid out only on international drafts. By that means no considerable amount of it could at any time enter into local circulation to the demoralization of prices.

Anything could be used to make scientific money, provided worth of material, cost of production, etc., were entirely eliminated as a monetary feature. Even the precious metals could be used if the coins were small enough and of uniform size, without reference to denomination, stamping an eagle on the same sized pieces as a dollar to emphasize the fact that it was the fiat of law, the coinage stamp of government alone that made it money. Gold and silver in bullion or in the arts should be regarded just the same as any other commodity, their value to be measured by money, according to their intrinsic worth in the arts.

Our own choice of a money material would be the least expensive one fitted for the purpose, so as to effectually destroy the commodity idea. Personally, we believe that bronze is the best suited for coins. It is cheap, durable, takes a fine impression—and there would be no danger of the erroneous, unscientific theory of necessary intrinsic worth corrupting its uses. Paper, on account of its lightness, convenience and cheapness, is a very desirable material for a scientific money. Its destructible character is mostly offset by the fact that soiled, worn, or mutilated paper money could easily be sent to the central government bank, and new money issued in its place. Where it happened to be destroyed, and conclusive proof of the same was made, it should be replaced with new

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money. This should be done in case of destruction by fire in dwellings, in stores, in factories, or in banks. *This, while being the very best form of an inexpensive insurance, would be a necessary means for maintaining the numerical volume of money at a fixed standard, which is the great essential feature of scientific money, in making it a precise measure of value.* Maintaining its numerical volume at a fixed standard, its purchasing power would remain unchanged, and prices would only vary with the natural causes affecting the worth of particular commodities.

There would be no more changing of ratios, no more diverting of money from its legitimate use, no more melting down into bullion; the only way the volume in circulation could be reduced would be by private hoarding; but with commercial combines and monopolies broken up and rendered impossible of existence by government ownership and control of all public utilities, and the limitation to individual fortunes, there would be more profit in trade than in hoarding, and it would not be attempted to any injurious extent.

With a scientific money all banks should be government banks. First, a central Government bank of issue, connected with, and directly under, the control of the treasury department; the others to be branches of the central bank, directly under its supervision, and all under the general supervision of the Government. The bank officials, from the highest to the lowest, from president to janitor, should be paid fixed salaries by the Government. *Such a thing as bank stock, in the present meaning of that phrase, or paid-up capital, have neither place nor meaning in a scientific money.* Each bank would be furnished by the central bank, a numerical amount of money, in proportion to local per

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capita population and the volume and requirements of trade.

The extortions of money-lenders have oppressed the people of all governments, in all ages of history. Money-lending is seen to be a great power, which private individuals abuse, and in the interest of the public welfare that power should be taken out of private hands, and vested in the government banks. *The banks alone should have the right to loan money*, at a rate justly based on the profits of production by the Government. When any man has more money than he needs, he should deposit it in a government bank, and should be paid a rate of interest thereon equal to the government rate, less a small per cent. necessary to pay the salaries of bank officials and bank expenses. Under that arrangement he would receive all the interest justly due him on his money; he would be put to no risk in loaning, or expense in collection. The Government would be responsible to him for the money and the interest on it, which would entirely obviate the necessity for any "guarantee of deposits" law. *No private individual should be allowed to loan money to another*; then the money-lending extortioner would no longer have a vocation.

How could the change from our commodity system of money to the scientific, be equitably made? Could the change be made independent of any other power? Easy enough; and without serious disturbance, either to industry or the "rights of property," by taking up the old with the new.

In the first place, though, the scientific system should be definitely incorporated into the national constitution, by amendment. Next, there should be established the main central government bank of issue, afterwards its branches. The mint, of course, would be a part of the central bank.

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As early as possible the new money should be made and distributed to branch banks. The private banks under the old system should be taken over by the Government, and whenever practicable, converted into new branch government banks. The holders of the old bank stock, buildings and property, should receive in the new money or deposit certificates, a just valuation of their buildings and property, and dollar for dollar for their specie, *less the amount of their outstanding note circulation, which the Government should redeem, dollar for dollar, with the new money, and cancel.*

All specie received should be sent at once by branch banks receiving it to the central bank for deposit in the Government's "strong box," and to be held by the central bank as the INTERNATIONAL MONEY till such a time as the other nations would agree to adopt the scientific system and a scientific INTERNATIONAL MONEY. Until they did adopt the scientific system, they should be required to pay gold for everything they bought from us; and by holding our gold as an international money for international trade, we would be prepared to pay gold for all we bought from them. When a merchant purchased goods in a foreign country, the branch government bank in which he carried his deposit account would issue to him an international bank draft, payable in gold, with which to pay for his goods.

Private individuals, being forbidden by law to loan money, could not do otherwise than deposit it in the banks; and all the old money would be taken up as fast as received into the banks and sent to the central bank for deposit as INTERNATIONAL MONEY *in the case of specie, for cancellation in the case of notes.*

The new money should only be put out as the old was taken up, until all the old money was practically

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out of circulation. It would not be long till the old money would practically all be replaced with the new, in such a manner that no honest industry or interest would suffer loss. Gold and silver coins, which under the scientific system would for an indefinite time constitute the international money, when by chance they got into general circulation, should pass current, dollar for dollar, with the new money; but as fast as received into the branch banks, should be sent to the central bank to be paid out by it only on international drafts. In that manner no considerable amount of international money could at any time enter the channel of general circulation. When the old money was practically all taken up with the new, then the circulation should be increased by government loans of money as the needs of business required, till the maximum standard of circulation was reached, which volume thereafter should be carefully maintained.

Imposts, as long as the nations are barbarians enough to demand them, should be paid in international money. Tariffs on imports is a system of robbery, illogical and oppressive to industry; but as long as other nations charge us a duty on exports, we would be compelled in self defense to charge them a tariff on imports; but as fast as reciprocity agreements can be effected, duties on imports should cease.

The postal department of the Government very nearly pays its own expenses, even under the present bad system and poor management. *Every department of the Government, where practicable, should be made to pay its own way.* The postal revenues should pay all the expenses of the postal department. The interest on money loaned should pay all the expenses of the treasury department, which would include the whole monetary and banking system, and leave a profit to the Government. The operation and man-

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agement of public utilities should be under the secretary of the interior, and the revenues from them should be sufficient to pay for keeping them up and operating them, and together with the profits of banking, and impost duties, while they continue to be levied, should pay all the other fiscal expenditures of the Government and provide a revenue for the extension of public works, for national defense, and emergencies. All the fiscal operations of the Government should be conducted through the central bank, aided by the branches. *The branches would be simply loan and deposit banks, but the Government could make such deposits of revenues with them as convenience or need might demand, except that all specie, the INTERNATIONAL MONEY, should be deposited in the central bank alone.*

The war department, as long as we have one, will continue an enormous dead expense. *The federation of the nations into one universal power, as contemplated in the complete theory of scientific money, is the only way to secure permanent peace, and the disarmament of the nations.* Until such time we will have to put up with the ruinous cost of armies and navies, and the incalculable loss to production.

With a scientific money the Government should keep and reserve to itself a sufficiency of international money to meet its own needs. This does not mean that it should be locked up in the treasury vaults. On the contrary, as before stated, the international money (gold and silver coins), should all be on deposit with the central government bank, except that the government part of it should be separate, and subject only to government drafts. The remainder would at all times be subject to individual international drafts, made through the branch banks. Any depositor in a branch bank would be entitled to make such draft,

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dollar for dollar, but only for international trade, the purchase of goods abroad, or to pay expenses of residence or travel in foreign countries. Any one going to a foreign country to become a citizen, should be entitled to exchange his government money for international money. Where remittances were to be made abroad, whenever possible, such remittances should be by bank drafts issued against the central banks through the branch banks. In most instances settlement could be made thus without the shipment of international money, by having the drafts made payable by foreign banks with which the central bank kept accounts. The people should be kept advised of the names and locations of such banks.

Trade with foreign nations should be so regulated as to prevent paying out more than was received. By the Government taking over to itself for public uses the amount of individual fortunes above five hundred thousand dollars, it would have more than enough to pay the national indebtedness and for all public utilities. *Once the debt is cleared away, with a scientific money there is absolutely no excuse for the government ever again going in debt.* Any public improvement, the intrinsic worth of which was not equal to the cost, should not be made; but if the intrinsic worth of the work or improvement to be made is equal to the cost, the Government would be fully justified in issuing the money to pay for the same. Even as colossal a work as digging an isthmian canal, if it is worth the cost of construction, the Government has the right and the power to issue the money to pay for it. Nay, more, it is the duty of the Government so to pay for it, and avoid fastening an onerous debt on the people. *A scientific money, being a representative of worth, if additional worth is created,*

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the Government has the right to issue a corresponding amount of money.

Under the present system, bonds are issued to get money for every kind of public improvement, municipal, State and national. Already the bonded debt of the nation, states, counties and municipalities, is several times the amount of all the gold in the world. And yet the bonds are drawn to be paid in gold, principal and interest.

All the gold in the world would not be sufficient to pay the entire aggregate bonded indebtedness of the people of this country. How, then, are the people to pay it? It constitutes a debt on the gold commodity basis, large enough to enslave the people for all time. The machinations of men or devils never invented a more despicable form of slavery; yet we, in our ignorance, boast of being a free people.

The bondholders do not expect that much of the principal will ever be paid, nor do they desire that it should be; what they want is the interest, paid in gold, which is sufficient to give to them the profits of production. The continued issuing of bonds, though, is the only way to get money for public improvements under the present system; because they cannot be made without money, and as the people have no money, they are obliged to go to the money-lender and give him bonds for money. Usually the money they get is some form of credit currency that as soon as it is spent for the particular object in view may be taken up at any time, and cancelled. The bondholder keeps his gold, the only real money, and holds a bonded debt against the people which demands a gold payment, principal and interest.

In all these public transactions, by the time the money is spent, the bondholder has gotten back his money, and has the bonds as the profit of the trade.

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Thus are the people enslaved with a hopeless burden of debt. *With a scientific money this burden would be removed, and the people would indeed be free. It would not only be unnecessary for the government to go in debt, it would be criminal.*

We know our scientific theory of money is correct; but will it ever be adopted?

The people are more completely enslaved by our present money system than were the Israelites under the Pharaohs of Egypt. The Israelites knew who their masters were, and there existed for them a chance to escape across the Sea to their Promised Land; but in the bonded debt, in the private control of money through free coinage and the gold standard, in the management of banking and interest rates, the money lords of this country have a more complete mastery of the people than the Pharaohs; for they wield what is to the people an irresistible, intangible, incomprehensible power, which they are unable to comprehend. They only know that debt is their taskmaster, and that hunger is the merciless lash that drives them, sick or well, in the heat of summer and the snows of winter, to incessant toil.

You sometimes hear a laboring man congratulating himself "that he does not owe a dollar." He does not know, poor fellow, that he is toiling every day to pay the money lord's interest, and that his children's children after him will still be engaged in the same hopeless task.

Other reforms are of little use while the people remain in a condition of vassalage. Let them first have freedom, and an honest, scientific, government-controlled money system is the only thing that will dispel the long, dark night of slavery to a false, Corrupt Money Power, and usher in the golden day of perfect Liberty.

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CHAPTER XXIII.

CONCLUSION OF SCIENTIFIC MONEY.

The numerical volume of scientific Government money should have a per capita basis; but the per capita need would be determined by the number of exchanges, and the aggregate worth of commodities and services exchanged, or exchangeable, against which the money would be placed to possess their representative worth; or, in common parlance, the per capita need would be determined by the requirements of trade. A commercial people would need more money per capita than an agricultural community.

For our own country, the United States, we believe that \$100 per capita of Government money, say \$9,000,000,000, would be about the right volume to equitably represent the aggregate wealth of the nation. This would be the people's money, and as it could not be used outside of the country, its volume could not be reduced by shipments abroad. The only way to reduce the volume would be by private hoarding; but with a limit to individual fortunes, and monopolies rendered impossible by Government ownership and control of all public utilities, private hoarding could not be done to any very harmful extent; besides, there would be no temptation to do it, because it could not be made profitable; for the reasons that while it was hoarded it would draw no interest, and, if they could succeed in enhancing the purchasing power of money by reducing the volume, accord-

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ing to our plan, they could not loan the money except to the Government, which would have complete control over interest rates; and they could not borrow money except from the Government, which alone would have the right to loan it, and if they reinvested their hoardings, immediately they did so, it would enter the circulation and tend to restore its equilibrium. The compensative regulations we have outlined would automatically regulate the volume, and maintain it at a fixed standard as nearly as human invention could devise.

The principles of any science are universal and absolute; therefore, it might be argued that there could be only one kind of scientific money; which is true as to the principles on which it is based, but one of the first principles is that the making of money is strictly a Government prerogative. Each Government employs the same principles to make a scientific Government money for its own people; and being a Government prerogative, it cannot make money for the people of any other Government except its own; but in this commercial age, the peoples of different countries trade with each other, for which a universal medium of exchange must be employed. No separate Government could independently make such a money. A medium conventionally adopted by all of them would serve the purpose; but the need of authority instead of convention is apparent; scientific money, therefore, contemplates a World Power formed by the federation of Governments under an international constitution that would have supreme authority over international money and affairs. Then, just as each separate Government makes a scientific Government money for its own people, to be used at home, the International Federal Government would, on the same principles, make a universal money for the people of

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the world to be used in international trade and travel.

A scientific Government money is a money made on scientific principles by each separate Government for its own people, to be controlled by the people through their constituted authorities, to use in home exchanges, and for the payment of all dues, public and private, within the Government.

While each Government would make its own money on the same principles, and while it would all be scientific money, still, as it could not be used outside of the Government that made it, there would, in that sense, be as many kinds of money as there were Governments. The first principle of scientific money, that of the Government prerogative to make it, requires this. Whoever makes and controls the money, rules the Government. If the Government is a democracy, makes its own money and controls it, then are its people indeed free. As long as private individuals, or a foreign Power controls money, the people are slaves. A Government money, made and controlled by each separate Government, is essential to their autonomy and the freedom of their people.

An International Government, formed by a federation of the Powers, would not only have the prerogative, it would be its duty to issue an International money for use between the Governments, and between their peoples in international trade and travel; and such money would neither affect, nor be affected by the Government moneys, because it would be the law in each that whatever amount of International money found its way into the general, or local circulation, should pass current and equal with the Government money, but as fast as it reached the branch banks, to be sent to the Central Bank for deposit, not to be again used except for international trade or travel.

The separate Governments would necessarily have

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varying per capita circulations of Government money; but even that, according to our plan, would not in the least interfere with International money; neither would the International money disturb the fixed volumes or the representative worth of the Government moneys.

Until an International Federal Government is established with the authority to issue a scientific International money, the use, in its place, of some universally accepted medium, as gold, is imperatively necessary before, and until a scientific International money can be established; because such money, made by one Government independently without the concurrence of the other Powers, and without regard to the laws and conventions of other nations, would not be accepted in international trade.

Of course, with the federation of the Governments of the world, forming an International Government, the money which it would issue might be made a universal scientific money of sufficient numerical volume to equitably represent the universal aggregate worth of all commodities and services, and supplied to each separate Government according to its per capita need, and it would be a vast improvement over the present robber system; but we favor both a Government money and an International money.

There can be, according to our theory, but one Central Bank of Issue in each Government for the making of scientific Government money, and there can be but one International Bank of Issue in the world for the making of International money.

If the attempt were made to adopt the International money as the one money for all, the International Bank of Issue could alone make it, and the International Government would control it, which would infringe upon the autonomy of the separate Govern-

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ments, if indeed, it did not destroy their national independence; besides, with only one kind of money, the wealthy international traders would have too large control over it, and by making excuses or occasions for shipping it abroad, could reduce its volume.

The precision and equity of the money measure depends upon the unvariableness of its numerical volume; therefore, the people's money should be removed as far as possible from speculative influences or private control, and its volume definitely maintained. This can only be accomplished by making the two kinds of scientific money: a Government money, made "by the people and for the people," controlled by the people, to use at home, and an International money, made and controlled by the International Government for international trade and travel. Then the banking institution of each Government for its own money would be independent, and the two kinds of money, being separately employed, would not conflict, and neither would interfere with the representative worth or purchasing power of the other.

Some Governments would require a larger per capita volume of money than others, and with only an International money, this need could not be fully met.

Any separate Government can adopt an International money, but it cannot, independently, establish one; for that can only be done by an International Power, or an international agreement.

If an International money should be adopted for all to the exclusion of Government money, and still the separate Governments be authorized to make it, some would issue more, others less, and having no way to enforce its acceptance by other countries, the result would be in some instances appreciation in repre-

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sentative worth or purchasing power, in others, depreciation, in all discrimination, loss, and confusion, and a worse condition, if possible, than we have now. Such a money would in no perfect sense be a scientific money of definite numerical volume, definitely maintained, and issued with authority.

The making of money, as we have proved by history and reason, is strictly a Government prerogative. Under our theory of two kinds of money, but both issued on precisely the same principles, each Government could make its own Government money of sufficient numerical volume to supply the needs of its own people, keep it at home, prevent its manipulation by private hands, definitely maintain its volume so there could be no hurtful variableness in its representative worth and purchasing power, which is the main essential feature of scientific money. The International money, issued by the International Federal Government, could likewise be kept at a fixed volume as determined by the needs of international commerce and travel. The people, through their governmental constituted authorities, would then control money, and the honest producer could enjoy the fruits of his toil; for whoever controls money, rules all.

We have elsewhere contended that a scientific money would prevent panics, because it would take money out of the control of private hands, and would give the people a genuine money instead of a credit currency and note obligations falsely called money. We charged panics to the liquidation of this false credit currency; and in doing so, we knew at how much variance we are with the commonly accepted opinions on this subject.

There have been seven notable monetary depressions in the United States, including the so-called

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panic of 1907-8, etc. Scarcity of money has commonly been the cause ascribed by popular opinion. But Peletia Webster, an early pamphleteer, declared that it was not scarcity of money which lay at the bottom of such troubles, but scarcity of confidence in securities. For this reason, it has been asserted by some statesmen and thinkers, lands sold at half their values during the first financial depression, 1784 until 1790.

This class of reasoners ascribe such troubles in large measure to the speculative impulses generated by great prosperity, as in the period between our first and second depressions, say 1791 to 1809. There was great speculation in Western lands. The discovery of anthracite coal and the uses that could be made of it, brought on much speculation in stocks. Textile manufacture enhanced the value of lands which produced textile material. Factory towns were thus built up, greatly advancing city and town lands. Canal companies, bridge companies, turnpike companies, all kinds and sorts of companies were chartered, "all with grants of privileges for levying tribute." An era of "wild investment" set in, reminding economists of the great tulip craze in Holland, during the seventeenth century, when bulbs sold at thousands of dollars each, and were actually made the basis of stock issuance and share selling.

In 1819 the culmination came, and down went land values, half or more, and the result was attributed to financial derangement.

After this depression passed, building the Erie canal and a great bound in railroad construction, brought on the speculative mania again, and "bounding prosperity" for a time suffered a tail-on collision and general smash-up in 1837. Speculative mania

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again set in, with returning prosperity, and the speculators again found their Waterloo in 1857.

The era of great prosperity brought on during the Civil War by a plentitude of United States currency, has already been pretty fully discussed, but little mention was made of the speculation which it caused. Lands were mortgaged and remortgaged, the third, and even the fourth time in some instances, often for purely speculative purposes. Practically everybody was into some kind of speculative scheme, trying to "get rich without working." That ended with the panic of 1873.

Therefore some economists and statesmen attribute panics to speculation.

Without any derogation of their acumen, and without discrediting the importance of the connection which speculation has with panics, it is still plain to us that liquidation is the fundamental cause.

Our false system of money encourages and fosters speculation, a scientific money would not. Speculation, that is, the largest part of it, is in what should be public utilities. Under our plan, public utilities would all belong to the Government, and there would be no chance to speculate in their stocks and bonds for there would be none. *Stocks and bonds, paper note currency for specie redemption, and the securities of various kinds,* would not exist with a scientific system of money. There would, of course, still be individual notes and checks entering circulation to a limited extent, but such would be entirely an individual matter, and at individual instead of public risk. There will always be, we suppose, some reckless, irresponsible speculators, and the majority of them will lose all they have, just as they ought to do; but under a scientific system of money, they alone would suffer; while under the present system, with 85 per cent. of

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the money a credit currency of some sort, when liquidation begins, this credit currency is taken up, and the common opinion that scarcity of money brought on the panic, is correct; but it was liquidation that caused that scarcity. The speculator may, and doubtless does, help to pull down the house that smashes the people along with himself; but with a scientific money system he could hurt no one but himself. There would be no credit currency that could be taken out of circulation by private or corporate demand, the volume of money could not be reduced, and the speculator would be powerless to affect the general equilibrium of prices.

It is true, as we have elsewhere noted, that panics have all been preceded by periods of unusual prosperity; it is also true that at such times there has been much speculation; but both are only signs that the time of liquidation is at hand.

The straw of wheat turns yellow at the time of ripening; so prosperity and speculation at their full is only a sign to the money-lender that it is time for him to reap his harvest. Did the promise, "Seed-time and harvest shall continue," apply to the money-lender? We think not. When the Government becomes the only lender of money, he will go out of business forever.

CHAPTER XXIV.

RIGHT AND WRONG—AN ETHICAL AND PHILOSOPHICAL VIEW OF SOCIAL RELATIONS AND ECONOMIC QUESTIONS

The sowing of the dragon's teeth has sharply defined the line between individual liberty and the su-

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perior rights of society. It has shown that individualism, when it encroaches upon society rights, becomes destructive of personal rights.

The growth of the giants sprung from the dragon's teeth is, ethically speaking, the development of individualism.

The powers of government, which should be controlled by the people, and exercised only for the protection and conservation of social rights, having been surrendered to private hands, the rights of society have been less and less regarded. Special interests have taken corporate form, and stand like colossal giants, while the masses toil and sweat to support them.

Competition and monopoly are alike the products of individualism.

Monopoly shifts the burden of competition from a few and places it on the bent and weakened shoulders of overburdened labor. Competition, uninfluenced by monopoly, gives a wider distribution of wealth, but intensifies the individual struggle.

The baneful effect of competition, that hitherto insurmountable obstacle to human progress, is upon every one from the cradle to the grave, and life, itself, instead of being a joy and happiness is made a joyless struggle for existence. Every social and business relation, and every individual act, is affected by competition; hence the ethical aspect of this subject. We know that these things are wrong. Let us endeavor to lay aside the shell-bound prejudices of conservatism and false teaching, and see if we can discover what would make them right.

The relative relations of things to some fixed or absolute principle constitutes the sum of human knowledge. A thing exists in itself independently, but we can have no complete understanding of it apart from

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its correlative relations. If a single aspect of a subject is considered independently, both its true nature, and its relations to other things may be entirely misapprehended.

Right is an absolute principle. That relative wrongs exist is only proof that there is an absolute Right. Everywhere, and in everything, the relative is irrefragable evidence of the nonrelative; the finite, of the infinite; and even negation itself is the strongest substantiation of existence.

Geometrical knowledge discovered the fact that a straight line is the shortest distance between two given points; and further, that there can be only one straight line between two given points. Now Right is a straight line, and there cannot exist two rights, nor any multiplicity of rights as affecting the same questions and things. Any deviation from the straight line of Right is a Wrong; and the greater the deviation the greater the Wrong.

Straight lines of the same length, crossing the same central point, form a circle; so the straight lines of Right, crossing the center of Eternal Truth, form an infinite circle that compasses the duties of all rational and accountable beings, both in time and in eternity.

Human conduct is the sum of the voluntary actions of men. Some actions, though voluntary, have in view no definite purpose; and for that reason are not ethically considered; only such actions as have in view a definite purpose which may be denominated good or bad, right or wrong, belong within the domain of ethics. But since it often happens that the most trivial and lightly considered act may start an endless chain of grave consequences, it behooves men to give due thought to all their actions. An act which is indifferent or purposeless in itself, when it is seen to influence other acts of definite importance,

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at once loses its indifferent character, and has to be ethically considered. An act in itself faultless, and directed to a proximately good end, becomes a bad act if, in connection with other acts and their influence, it be demonstrated that ultimately it will cause more of evil than good. Where acts are performed under compulsion, the actor is not ethically responsible; but the agent of the compulsion is the responsible party. The more involved an act, that is the more extensive its connection with other acts of proximate or remote consequence, the greater its ethical importance.

The primary rules of Right are few and simple; but the complex adjustments of multiform acts to these rules are many and intricate; and those acts which employ varied proximate means to attain some remote ultimate purpose are the most complex in their ethical adjustments; for usually, the rights of others are more or less connected therewith, either in conflict or in agreement.

Volumes have been written on what men should do or not do; but after all, the chief ends of human conduct are the prolongation of life, the quantity of life (those things which conduce to comfort and happiness), and race maintenance (the preservation of offspring).

Man, as to his physical being, is subject to natural law. The prolongation of human life depends upon compliance with physical laws.

Experience has demonstrated that men can improve the species of the lower animals by careful selection in breeding, by feeding the proper quality and quantity of food, by care and attention; and furthermore, while they *cannot create new species*, they can select *certain types in species*, and by continued selection and attention make them comparatively permanent.

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Antagonistic relations exist between all the different orders of the animal kingdom. One specie preys upon another, and often the stronger members of the same specie prey upon the weaker; or else, through the right of might, they appropriate to themselves the larger benefits, and the weaker succumb to innutrition and physical want. Man is no complete exception to the predaceous rules governing animals. With men, the antagonistic conditions attending the common struggle for existence have been lessened by restraining the predatory aggressions of the strong in civilized society; but we are still very far from the ideally perfect. In our competitive system, individual success, in many things, is seemingly unavoidably predicated on a corresponding injury to others; yet it is evident to the just thinking mind that the evolution of human conduct will not be complete until not only one man's success, one man's happiness, will not conflict with the success or happiness of another, but will augment the other's success and happiness in a commensurate degree with his own. The lives of all cannot be complete under any other condition. To secure the elimination of our destructive competitive system under which an ideally perfect humanity is impossible, individual interests must be subordinated to the welfare of society; and instead of individual competition, there must be coöperative effort for the Common Good. Every individual right, even proprietary rights in property, must be subordinated to the public welfare. Each member of society, should to the extent of his abilities, contribute mutual assistance to secure the Common Good. The evils of the military system of our predatory, savage ancestry, are still manifest in the aggressions allowed, or seemingly made necessary, in our competitive system. We say *seemingly made necessary advisedly*; for there is not

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anything wrong but what may be eliminated by the adoption in its place of that which is right.

We know that the predaceous aggressions of the strong upon the weak, of the rich upon the poor, is wrong; and no amount of sophistical argument can make it right; but if for aggression there is substituted mutual helpfulness, and individual interests are subordinated to the public welfare, greed and monopoly would no longer have place in society.

In a general sense, anything is good which perfectly fulfills the immediate purposes of its creation, and anything is bad which fails to do so; but ethically considered, in a relative sense, "conduct is only good when the ethical end to be accomplished is good." In this sense, it is sometimes right to submit to a present evil to obtain an ultimate good; to make present sacrifices to secure some greater future benefit; to forego a present individual gain for a future benefit to the public.

Self-interest is the basis of human conduct and endeavor. Even when acts are performed for the public good, the purpose is to increase the general sum of happiness in which each individual would share, and, would thereby be able to add to his own happiness in a larger degree than he could do in any other way. Yet self-interest is prone to be near-sighted, and most easily discovers proximate individual benefits; for which reason, self-regarding acts require moral restraint; public-regarding acts, moral enforcement. The maintenance of individual life, of posterity, and of the concomitants of worldly means sufficient to place above want; to feed, clothe, and educate children that they may enter upon a rightfully advantageous position in society, are acts of self-interest, which are not only necessary, but are to be commended. The honest acquisition and accumu-

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lation of property within reasonable limits to insure comfort and enjoyment and a protection against the forced inactivities of age, encourages industry, aids morality, and gives the individual larger abilities to contribute to the Common Good; but the disposition of those who are solely actuated in their conduct by immediate self-interest to disregard the interests of society, requires the peremptory restraint and inhibition of law.

The majority of laws, both common and statutory, are interdicts against certain individual acts which experience has proven to be injurious to society. The first commandment in the Hebrew Decalogue contains a "Thou shalt"; but the other nine a "Thou shalt not." In the jurisprudence of civilized nations the main body of laws is composed of interdicts. Is it not possible that there is some weakness in this? Are there not as many things which men should do as there are things which they should not do? And are men any more disposed to do the right things than they are to do the wrong things? Edicts are as necessary as interdicts. A right rule of action is essential before a proper, adequate plenary interdict can be made against its violation. Not only is a rule of action necessary, it must be understood; and that it may be fully comprehended, it is quite as needful to exemplify it by example as to teach it by word of mouth. Ethical precepts, to have that force which compels acceptance, must be exemplified by conduct; and laws, to have their rightful influence, to command universal respect and obedience, must be obeyed by the stronger as well as the weaker members of society. Those in authority must do from choice what they would have those under them to do either from compulsion or persuasion. When the people see those who are in positions of authority and power appropriate to them-

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selves the lion's share of the public benefits, and aggress upon the civil rights of individuals, it provokes in them a disrespect and a disregard for law. The ethical standards of society can only be elevated by the leading influential members exemplifying in the conduct of their own lives the beauty, and justice, and benefit of right ideals and correct living. Magnanimity, generosity, honesty and truthfulness in the individual, strengthen confidence as between man and man, and insure the prosperity of the social state; but selfishness, predaceous aggressions upon the rights of others, dishonesty, untruthfulness, destroy the trust which should exist between man and man, and cause disaster to the social organization.

In the slow evolution of ethics, for centuries, the humble, servile obedience of the many to a few self-appointed masters, constituted their chief virtues; and until comparatively modern times, such was thought to be the ideal state for society; but as a free people, we have substituted obedience to law instead of obedience to human masters. The authority of law is derivative, and to be just and stable must be the expression of the popular will. Men yield submission to law that they may be protected in the exercise of certain individual prerogatives, in life, in person, in property, in the pursuit of happiness. Obedience to law insures a larger degree of civil liberty. As we have before stated, law is chiefly composed of peremptory interdicts for the repression or restraint of certain individual acts which experience has found to be detrimental to the orderliness, happiness, and welfare of society. In a representative government like ours, laws are initiated by the people, and made into formal acts by men to whom the people have given legislative authority. One of the weaknesses in our system is that the acts of legislation as passed by

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State legislatures and the National Congress are not referred back to the people for their approval before they become binding as law. The execution of law must be by a constituted authority composed of a few men. As long as that constituted executive authority remains representative, and true to the interests of the people, the public welfare is conserved; but if it arrogates to itself more than its delegated authority; if it executes the law in the favor of the few as against the many; if it encourages the aggression of one class of citizens upon another class, by which they secure more than their equitable share of the products of productive energies, we are then no longer under the protection of law, but under selfish human masters wearing the masks of law.

CHAPTER XXV.

EVOLUTION OF ETHICAL STANDARDS

The marvelous material prosperity of the United States in the past has been due to the fact that the laborer has been given a just wage, and the opportunity presented to him to better his condition; thus stimulated to hopeful endeavor, the productive energies of the nation, wonderful in compass and degree, have been a marvel to the older nations, and the chief factor in building our national greatness; but take away that stimulus to individual endeavor by robbing the laborer of the fruits of his toil, by taking away from him the opportunity to better his condition, and productive energies will suffer paralysis and decay.

If the door of opportunity should be closed to the poor; if the comforts of life should be denied to them; if hunger should be made the only incentive to toil,

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production would soon be lowered to the immediate needs of consumption. The future material prosperity of the nation depends upon maintaining unimpaired its productive energies, and that can only be done by giving to those who produce a just share in the benefits of their productions—to the toiler the fruits of his toil. To secure this necessary end, the predaceous vultures of society who fatten upon the toil of others must be restrained by law; and they can never be effectually restrained till their stolen millions are returned to the State; for it is their money which gives them their great power for evil, and enables them to continue their aggressions. A tiger is not harmless as long as it has teeth and claws. Denunciation has little effect on predatory wealth, and they care not much for law as long as they can wield the power that money gives to them.

A vulture swoops down into the valley for its prey, and then flies to a beetling cliff to devour it undisturbed. An arrogant judiciary has arrogated to itself the right to pass upon the constitutionality of all law, regardless of the public welfare upon which the Constitution itself was supposed to be based, has reared a mountain wall which it calls "Vested rights," and when the minions of the law get after the predaceous vultures of society, they fly with their plunder behind that beetling cliff which the judiciary has erected, and bid defiance to an outraged people.

Society is composed of individual units. Whatever damages individual members, injuriously affects society at large. If the standard of living of the individual is lowered, he and his family suffer directly by the deprivation of the necessary means for comfort and subsistence, and society is injured indirectly by the consequent lowering of ethical standards and the loss to production.

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Allow me, for just a little while, to drop into personal narrative for the purpose of illustration.

Several years ago, in the town of S——, of which I was then a citizen, the public-school money would support the school only about four months in the year. The question was raised (and I helped to raise it) of supplementing the public-school allowance from the State with money raised by a municipal tax, so as to continue the school ten months in the year. I had a family of children just coming into school age, and was enthusiastically in favor of providing for the supplemental school fund by a municipal tax. As it was to be left to a vote of the citizens, I talked to different ones in its advocacy. Among the citizens whom I approached was a banker, the wealthiest man in the town. He very frankly told me that he was opposed to it; and the reason he bluntly gave was "that he was opposed to giving his money to educate other people's children." I requested the privilege to ask him some questions, which he freely accorded me. I asked: "Mr. J——, how long have you lived in this town?" He replied: "Fifteen years." I then asked: "Do you like to live here?" To which he replied with a sententious "yes." Then I asked: "Why do you like to live here? Please state the principal of your reasons." To which he replied at some length, stating: "It is a good town to live in. Some of the elements that make it such are that it has a good, moral, cultured citizenship, who make good neighbors; the most of them own their homes, and take an interest in business matters that go to build up a town; they are intelligent, law-abiding, industrious, and prosperous; the clean, moral atmosphere of the town makes it a desirable place to raise my children; and last, but not least with me, it is a good place to make money." "Now, Mr. J——," I asked, "is not the future of

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your children your chief interest and concern in life?" He replied: "I mean to give to each and all of my children a good start in life, a better start than I had." "Mr. J——, you are perfectly right in that," I replied, but I added, "Mr. J——, don't you think that to leave them a good town to live in, as good, or better town than this is now from the points of intelligence, good citizenship, good morals, and thrift, would be the very best legacy you could leave them? Now, Mr. J——," I further added, "if your ideas on schools should be carried out, you know that the majority of your fellow citizens in this town are not able financially to send their children to private schools and colleges as you are—no matter how much they might prefer to do so—and if they cannot educate their children in the public school, they will have to grow up in ignorance; and ignorance means vice and poor citizenship. If your children are to live amid vice, squalor, and poverty, will all the money and education you can give them compensate for the loss?" He replied, "Tom, you have put it to me in a new light. There is something in your argument." Now for the application of this thought in a more extended sense. If a few, actuated by greed and avarice, accumulate to themselves all the wealth of the country, thereby depriving the people of the means of educating their children, of owning decent homes, of living in comfort; entailing disease and vice, squalid hovels, and hopeless poverty; in their insatiate greed, destroying the natural resources of the country under the specious plea of developing them; forest, and mine, and soil, all being rapidly destroyed; will all their millions compensate for the loss of the forests from the hills, the once fertile valleys which they have converted into barren and sterile wastes, for mineral wealth destroyed which was intended for the

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comfort of man and for a contented and happy people reduced to wretchedness and want? What then will their multi-millions be worth?

It appears almost inexplicable why the ethical evolution of mankind has been so slow.

Some philosophers, blinded by the enthusiasm of supposed original discovery, have attempted to make a wider application of certain theories than was found to be warranted by the sound reasoning of calmer minds. One philosopher, who esteemed himself the original discoverer of the theory of evolution, spent years in trying to create a new specie. He succeeded in developing a fan-tailed pigeon; but, after all, it was still a pigeon; and he died without being able to establish any proof that evolution has ever operated as a creative agency, in the usual sense of that term. He proved that the present form of the earth was evolved by igneous and aqueous forces which have operated in the formation of its crust; but the elements of which it is composed have forever been the same, and he erred by ascribing too great a duration to this geological evolution, by overlooking the fact that in the primordial condition of the earth, the aqueous and igneous forces were incomprehensibly more active than at later periods; that perhaps the changes wrought in a moment then, were greater than could now be effected by the same agencies in ten millions of years. He proved that the types of species, both of plants and animals, could be accentuated and improved; he proved, beyond peradventure, how the natural law of selection, through adaptation to physical conditions, preserved certain types of species, while the non-adaptability of other types caused them to perish; but by the concentrated effort of his really great mind, he failed to discover one incontestable instance where evolution has created an ele-

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ment, or a specie; nor is there in all the philosophies which have ever been written, any proof, positive or negative, that evolution ever created anything. Evolution is conditional, and not elemental. In fact, evolution is nothing in itself more than a philosophical term used to express the changes in forms of matter, and in the types of species in plants and animals. Force, matter (*substance*), time, and space, are eternal verities, which can neither be created nor destroyed. There are certain elemental verities in metaphysics as well as in nature. A straight line is the shortest distance between two given points; and the eternal principle of Right is the straight line of rectitude for the government of all conduct. Wrong consists in any deviation from the principle of Right, and the greater the deviation the greater the Wrong. Very true, where the principle of Right is imperfectly understood, or misapprehended, the rules of conduct will be correspondingly confused; and what may be denominated good ethics in one community, would be considered bad ethics in another; but that does not logically affect the eternal, unvarying principle of Right. There are relative Wrongs, but there is only one Right, fixed and absolute, for every moral act.

In the domain of ethics, it has been the province of evolution to discover the true principle of Right for the regulation of conduct in the commercial and social relations of men. The chief factors in this evolution have been self-interest, society-interest, the hope of reward, the fear of punishment, and the approbation and reprobation of society, called public opinion. Self-interest may be promoted, for the present time, by wrong acts. Those flagrantly wrong acts, denominated crimes, may, for the moment, the time, advantage the self-interest of the culprit; but

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reason clearly proves that every wrong act is ultimately destructive of self-interest in the logical finality of its result. To sacrifice the interests of society for present selfish gain may prosper the individual for a while; but in the end he will suffer loss; for *the preservation of self-interest depends upon the maintenance of the interests of society.* Wrong often presents a fruitage of rewards, tempting and beautiful; but they contain the insidious poison of death.

Society, in its eagerness to approve deeds of individual achievement may, and does, often unwittingly give its approbation to the Wrong; but such approval is only temporary, and is inevitably followed by lasting denunciation. The doing of things by the inflexible standard of Right redounds to self-interest ultimately—if not proximately, to the interests of society, secures a righteous reward, and the lasting approbation of mankind.

In the domestic government of the home, we are gratified when our children do right to please us; but they merit our complete approbation only when they do right as a matter of principle. It is proper to do things to please God; but would we not merit His divine pleasure more by doing them simply because they are Right? Clearly, then, when righteousness becomes the governing principle of every action, the work of the factors employed in the evolution of conduct will be perfected, and Right, the true standard of ethics, will stand forth distinct and beautiful in the symmetrical lines of discovered rectitude in every relation of life. It is equally plain, however, that evolution in ethics is not yet completed, and that the factors which we have mentioned still have a necessary work to perform. Self-interest, in the preservation of individual life and offspring, cannot yet be fully divested from selfish motives; nor has so-

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cietiy-interest that dominancy over individual interests which the complete living of all requires. Until the criminal instincts of men are obliterated, the fear of the gallows must restrain the hand of the murderer, and the threatened loss of liberty by imprisonment, the thief. The promise of reward must be held out to many for encouragement, the threat of punishment to many others that their evil tendencies may be restrained.

The average man fears nothing so much as the reprobation of society. Many men are apparently honest, not so much from principle, as because they realize that to be dishonest means loss of credit and standing in society. The manners, customs, fashions and conventions of society are followed for the same reason; because to disregard them means loss of social prestige. The social conventions of society vary in different communities according to their difference in education, culture, and ethical standards. "Honor among thieves," is an old saying, and it is true in the sense that robber bands obey certain rules, or standards of conduct, in their relations with each other. Thus it is seen, that while public opinion is one of the strongest controlling factors in human conduct, it is not, by any means, always on the side of Right. Public opinion changes with the adoption of different ethical standards, or ideals. The illusory bauble, which the world calls fame, consists in nothing more substantial than public approbation and adulation. The admiration for the strong is an animal instinct. Herds of cattle, flocks of sheep, gregarious animals of every kind, follow some strong member as a leader. Men have been no exception to this rule. The strong force themselves into positions of leadership, and public opinion is largely moulded by their acts. In the militant age, the strongest and bravest

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warriors were the ideals of society ; in peaceful, commercial countries, individual achievement in popular fields of endeavor becomes the ideal. This is proper and needful as a stimulus to industry and enterprise if the ethical standards are right and the public welfare is promoted ; but if the standard for achievement is wrong, society will ultimately suffer loss individually and collectively.

No people can above ideals rise.
The characters they emulate comprise
Their estimate of what improves the mind,
Of what exalts, or what degrades mankind.
A people whose conceptions rise no higher
Than worldly wealth and power, will not aspire
To heights where selfishness has no control,
And patriotic motives move the soul ;
For avariciousness contracts the mind,
And dwarfs the nobler instincts of mankind.

Since men will have some standard for achievement, some ideal around which to mould their aspirations and direct their efforts ; and since it is necessary that they should have, the adoption of a correct standard is of paramount importance.

A gentleman by the name of Jacob was one of the first men we read about to set up a commercial standard when he set up striped sticks at the watering-places of his father-in-law's cattle. The standard which he there erected has been the ruling one in commercial life ever since. The idea is to get rich, even if it requires dishonest cunning to compass that all-absorbing aim ; and society, instead of reprobating it as vulgar and wrong, has given it encouragement by the most pronounced approval. So-

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society has made the individual acquisition of wealth the standard of respectability, influence, and power. The desirableness of riches, and the importance of its possession, is the first lesson taught to children—a lesson which is continually reiterated during the impressionable years of childhood; and when they grow up to mature years, they see that the rich enjoy comforts and privileges which to the poor are denied; they see, that while the door of opportunity swings wide to the rich, it opens to the poor only after the most importunate effort and self-denying sacrifice; they see the rich sitting in the high places, and occupying the positions of power and influence in the nation; they see that the successful acquisition of wealth is even made the measure of men's abilities, instead of intellectual endowment, scholarship, and culture; they see, that while the hand of justice falls with heavy weight upon the poor, it is laid with apologetic softness upon the rich; they see that altruistic principles are discountenanced and discredited in all the pursuits of life; that business men, professional men, public officials, men in office and out of office, are all striving for self-gain; is it then, any wonder that they come to regard the acquisition of wealth as the chief good, and the all-essential thing for which to strive? Is it, then, strange that fraud flourishes and peculation in office continues? Honor is violated in positions of sacred trust. This false standard of wealth has corrupted the whole social body. Colossal individual fortunes have encouraged a criminal extravagance unparalleled in the history of the world, which has injuriously affected every class of society, from the highest to the lowest. People are everywhere trying to support a style of living beyond their means, causing individual bankruptcies, and threatening national disaster.

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Extravagance has reached a wild excess
In eager rivalry to make display,
In millions spent each year for show and dress,
And millions more for follies of the day.

CHAPTER XXVI.

GREED—THE CAUSE OF POVERTY, WRETCHEDNESS AND CRIME

All classes of citizens are living in a constant, life-wearing strain. The smiles of contentment are displaced by the sordid lines of care. You will not see one happy face in fifty. Care and worry is stamped in the features of almost every one you meet. Joyousness and mirth are repressed, and the occasional laugh which you may hear, sounds hollow, mirthless, and unusual; and, since children inherit their temperamental dispositions from their parents—even the little children, who in their young innocence should be as happy as birds and as playful as lambs, are far less so than they were in our own childhood, and their little faces are sobered with the shadow of care. Universal worry and unrest, like a dark cloud, has shut out the light of joy; the beauties of nature have been scarred and marred; the once-fruitful soil has been exhausted and robbed of its fertility; the once-green hills have been denuded of the grand old forests which fed the waters of living springs, and invited the rains in season; the natural resources of soil, timber, and minerals, have been wasted and depleted; the health-giving streams have been diverted from their natural uses and polluted with the death-dealing filth from shop and mine; commercialism entices away from the pure air and wholesome environment of country life the brightest boys, and casts them into the maelstrom of trade and strife in the

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cities—all for the sake of accumulating wealth. Nor is this yet the worst. The inordinate desire for wealth, and the abuses of its possession, are responsible for nine-tenths of the crimes and suicides which are committed.

Recently, two men of our city committed suicide. One, a middle-aged man, who, not many years ago, was prominent in the business, social, and political life of the city. He was once a candidate for Mayor, and lacked only thirty votes of being elected. He found himself unable to raise a hundred dollars to satisfy a debt. Credit gone, honor lost, he killed himself. The other suicide was a young man, who some months ago came here from a town in an adjoining State, and secured employment in one of our local business concerns. In the panic of last winter and spring, 1907-8, he was dismissed from work, as were thousands of others who were similarly unfortunate. He tarried in the city for some time after his dismissal, trying to secure another position, till his small savings were all spent for board and lodging. Rather than return home penniless, he fired a bullet in his brain. Another recent suicide was a man about thirty-five years old, whom I had known from his boyhood. I knew his father and mother, people in good circumstances. I knew his brothers, and a sister, who, with him, were brought up in a contented and happy home. I knew the sweet little girl he married; she was the daughter of one of my dearest personal friends. He was a young man of bright mind and good character, and a prosperous future was prophesied for him. He took his girl-wife, and the generous patrimony which his father gave him, and went to a Southern city, where he established a business. Everything went well with him for a time; but finally reverses began to come, and

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in a short while thereafter, he found himself bankrupt. Closing out his business, he had left little more than enough to move his family to another Southern city, where he tried to re-establish himself in business; but he could get neither credit nor sympathy, and at length was forced to try for a situation in which he could work for a salary. The best he was able to get was a place in a stinking fish market, that paid him about ten dollars a week. He had a wife and six children to feed and clothe; house-rent, water-rent, and gas bills to pay; and he found his small salary insufficient to pay his expenses. When each day's work was finished, he went to a cheerless home, tired and heart-weary, to find the most discouraging evidences of pressing want and poverty. He loved his wife and children. When his circumstances had been prosperous, it was his delight to supply them with every comfort; but now, when his children unwittingly begged for things which he was no longer able to buy, and when they asked him for things that they saw other children were supplied with by their parents—sometimes articles of food, which he was no longer able to give them—it broke his heart. So a few days ago—a beautiful midsummer day—he went out into one of the public parks, where the flowers were blooming and the birds were singing—but not for him. He laid down on the grass in the shade, took from his pocket a small flask, swallowed two ounces of carbolic acid, and thirty minutes afterward he was found—dead. He left to the uncertain charities of the world a disconsolate widow and six helpless, orphaned children. These instances which I have related are similar in details to hundreds daily occurring in all parts of our country. Mental aberration is usually lightly attributed as the cause. It is doubtless one of the effects, but it is not the cause.

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Exactly in proportion as wealth is accumulated into the hands of a few, it is made increasingly difficult for the masses to acquire even the ordinary comforts of life. If our present commercial system is to be perpetuated till there will be only two classes of citizens, the very rich, composed of a few, and the very poor, composed of the many, then popular education should cease; for if the door of Hope is to be shut to the poor; if all opportunities for their individual advancement are to be denied; if no promise is to be held out to them or their children except a hopeless, barren life of unrewarded toil and social degradation, it would then be merciful to have them as ignorant as the horse or ox that forgets in the coarse feed of the stall the stings of the cruel lash; for their sufferings would then become calloused with the indifference of ignorance.

Education brings the knowledge of better things and better conditions, and stimulates the desire and the ambition to obtain them; but if the selfishness and greed of a few place those things beyond the reach of attainment, disappointment, bitterness, and despair must result.

The selfish greed of the predatory rich has taken thousands of women and girls out of the home—their natural place—and forced them into the struggling, competing ranks of toil, into the office, the factory, and the shop, which has lowered the wages in all lines of labor into which they have entered, making more difficult family maintenance by husbands and fathers, thereby causing a decreasing number of marriages and new homes, and many of those who do marry now wait till late in life, so that the size of families—where there is any increase at all—grows constantly smaller, the number of unmarried continually larger, the crime of race-suicide appall-

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ing, home life is neglected—the ill-cared-for place called home little more than a place to sleep after each day of wearing toil—children suffer for lack of attention and home-comforts, home-enjoyments, and home-training, and many are growing up diseased in body and mind, moral and physical deformity being the inevitable result.

Another matter, the mere thought of which makes us shudder with horror and indignation, we would gladly pass over without mention; but fidelity to our task requires that we bring the horrible fact before the reader, and that is, that many poor girls—besides the influences of unwholesome surroundings—are almost compelled by hunger and want to sell their bodies to pay for food and shelter.

We are aware that this is a serious charge to make, but it is a matter which we have investigated. The following story was related to us by a very reputable gentleman, whose sister-in-law worked in a large department store. The employees in the store were mostly girls who were paid from \$2.50 to \$5 per week, \$2.50 being the wages paid to the larger number. Any one knows that with the present high cost of living, two and one-half dollars a week will barely support their bodies with the commonest and cheapest of food. Where, then, is the money to pay for high rentals and clothing to come from?

The story, as he related it, is as follows:

One of the sales girls in this store was a young, pretty girl, who was trying by her labor to support herself, and to assist her widowed mother in the support of a younger brother and sister.

While the mother kept able to work with her needle, the combined earnings of herself and daughter meagerly sufficed for the little family; but, by and by, the patient mother, confined in the house con-

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tinually to an unremitting grind of toil, kept in from the life-giving sunlight, and pure air, denied all sympathy and encouragement which is the elixir of life, became ill. Then it was that the daughter discovered that her own small salary would not meet their most necessary expenses. Food to buy for four, house-rent to pay, gas bills to meet, medicine and doctor's fees for her sick mother, and only \$2.50 a week to pay it all.

The girl, after ten hours' work in the store, had to walk unattended in the late evening five blocks to her squalid home, clean it up the best she could, and then prepare their frugal meal. During the nights her rest was broken by attentions and ministrations to her sick mother and little brother and sister. When the restless hours of the night wore by, she must needs rise at five o'clock in order to have time to prepare breakfast, and leave her mother as comfortable as possible for the day, and hurry to the store by 7:30 a. m., to begin the day's exacting labors. At the same time she was expected to appear neat in her attire, and to wear a smile and a cheerful countenance for the benefit of customers. It was during this trying time that the girl, with a body tired and worn, and a heart aching with grief for the mother she loved, timidly approached her employer, made him acquainted with the condition of her family, and asked him for a small raise in salary. He replied that he could not afford to pay her any more for the reason that he could get plenty of other girls for the same salary he was paying her; then putting on a diabolical smile and smirk he said, "Have you got any feller?" A blush of shame mantled her cheeks, and she turned away. With another of his devilish smirks and smiles, he advised her "to get a feller to

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help her pay expenses." Oh, my God! It is such as this that makes a skeptic ask, "Is there a God?"

That same proprietor is looked up to as one of the wealthy, model citizens of the city. Is it any wonder that so many poor girls take to the streets, and follow lives of open shame till the fires of passion destroy, or they find a speedier exit by suicide? When you pass one wearing the scarlet sign, spurn her, if you will; but do not forget the influences that might have led her astray.

I am not writing for popular applause; but to tell the plain facts as I see them. I know that many may condemn me for what I have written—and shall yet write, if I have strength to complete my self-appointed task—but I have so long witnessed the triumph of Wrong over Right, that I am impelled to raise a warning cry. It is not so much the fault of individuals, as the system. A few men have grown rich by working women, girls and children in stores, shops, and factories at starvation wages, and some have exploited that wealth in million-dollar hotels and costly buildings, for which they have been acclaimed public benefactors.

Public spirit is all right if it is of the right kind. The right kind of a public spirit looks after the welfare of the individual citizen.

This thing of spending millions in hotels and "skyscrapers" is not only silly, it is criminal.

The poorly paid laborers who earn the money that builds the million-dollar hotels will never be able to patronize them. They are for the wealthy tourists alone. Decent accommodations for the traveling public are demanded by civilized society; but extravagance and display are not.

Every million dollars put into a hotel or a "skyscraper" would build a thousand comfortable homes

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for the poor; and it is almost safe to say that every million dollars foolishly expended in costly and unnecessary buildings means a thousand hovels.

But society approves these things as worthy achievements, and for that very reason they are continued. The individual exploiters of great wealth are not so much to blame as the society which gives them encouragement.

Every intelligent person recognizes the fact that home-owning, and home-building is the very foundation and pillar of the State, and yet a system is fostered and encouraged which tends to make such impossible.*

As long as society approves the things it should reprobate, the evils of greed, poverty, crime, disease, and misery will continue.

Our social standards are all wrong.

The commercial standard, as represented in the striped stick of Jacob, has cursed mankind for six thousand years, and has constituted an insurmountable barrier to the ethical development of human conduct.

CHAPTER XXVII.

THE ONLY TRUE STANDARD OF CONDUCT

There was another Man, "If it be lawful to call Him a man," who set up the Right Standard; but till now, only a few have been governed by it in their conduct. He set up the Eternal Principle of Right, and placed on each of its four sides a like number of everlasting mottoes, the first of which is: "Fear God, and keep His commandments"; the second is, "Love thy neighbor as thyself"; the third is, "Do unto others as you would have others do unto you"; the

* Only fifteen per cent. of the homes in this country are owned by the occupants, eighty-five per cent. are rented.

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fourth and last is, "He who would be the greatest among you, let him become the servant of all." Human life will not be complete; human conduct will not be perfect, and Wrong will continue until all men live up to this standard.

We promised in the beginning that we would avoid political and religious discussion; but you will pardon us for a little digression, if such you wish to term it, while we briefly consider the mottoes on the only True Standard of Life.

In the first motto, "Fear God, and keep His commandments," the word from which fear is here translated, was intended to be more expressive of love and reverence. Before we can have reverence and love for a person, we must have a knowledge of that person; and before we can have that due reverence and love for the Deity which we should have, we must come to know Him in His creatures and in His works. A pure abstract conception of Deity, and of our relations to Him, requires the highest reach and powers of the human intellect. A knowledge of God is the cornerstone in the Temple of Truth, and without that knowledge, it is impossible to have a true conception of what is Right. Whatever is Right, and true, and good, is from God. His commandments are everywhere written in all His works. Whether the commandment to do Right be found in His Church, in the Bible, or in the book of Nature, it is the commandment of God, and we should obey. The Laws of Nature are the Laws of God, and nowhere are they more indelibly written than in the Book of Nature, where we can always make translations from the original text. In obeying the laws of nature, we keep the commandments of God. This does not mean that perverted desires and appetites belong to the laws of nature; for the laws of nature,

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when correctly interpreted, condemn those things; but whatever conduces to health, and life, and happiness, to truth, honor, and justice, is in concord with the laws of nature, the laws of God. Care of self and of offspring is the first obligation of nature, and must be Right. The care of our own health and individual well-being, and that of our children, is the first obligation which nature imposes, and cannot be neglected without causing self-injury, injury to posterity, and detriment to the community; for society is composed of individual units, and injury to one, means the logical injury of all; but self-interest, pursued according to the standard of Right, not only does not interfere with the self-interest of others, it becomes instead a potent means of its promotion, as it adds that much to the sum of human well-being. If an individual weakens his own powers, physical or mental, by the neglect or violation of nature's laws affecting his self-interest, he not only suffers loss individually, his ability to help others is diminished or destroyed, and that much is subtracted from the sum of human well-being. There are ample means in nature to secure the well-being and happiness of every individual, if rightly used; and that those means are not thus employed, is due to the violation of God's commandments written in His works and in the very necessities of our being.

The second motto on The True Standard of Life is, "Love thy neighbor as thyself." When rightly understood, this is not so difficult as it at first appears, and it is entirely consistent with a righteous self-interest. To understand it, you need first to carefully analyze the question of how well you love yourself; or, rather, how well you ought to love yourself, and you will then discover that the supposed obstacles in the way were mostly imaginary. In

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illustration, you desire for yourself good health, and everything that goes to maintain the same—pure air and sunshine, pure water, wholesome food, recreation, and a happy and contented mind; is it difficult to desire the same things for your neighbor? If you love your neighbor as you do yourself, you would not shut him up in a dark mine or sweatshop all the day from the pure air and the beautiful sunlight; you would not befoul the stream from which he must drink; you would not give him unwholesome, adulterated food for the sake of profit; you would not have him wear his health and life away by hopeless, incessant, ill-rewarded toil; but you would have him to take needed rest and recreation, and to enjoy every needful comfort of life. You desire long life. Life is precious to you, and to every one. If you love your neighbor as yourself, you will do nothing to shorten his life, or to render it unhappy; the thought of murder will never enter your mind, and your own life will be sweeter and happier. You, in your self-love, desire all the necessities and comforts of food, and shelter, and clothing, and the things necessary to your individual happiness; desire the same things for your neighbor, and do nothing to deprive him of them. When you can in truth wish your neighbor every good thing which you desire for yourself, you will be fulfilling the requirement of the second motto.

The third motto on The True Standard of Life, "Do unto others as you would have others do unto you," is a restatement of the second in a reversed relation. You have a good position, or profitable employment, or an honest income, by which you support yourself and family in comfort; would you have others, because they had the power to do so, or because selfish advantage would accrue to them, take away

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from you that means of support? If not, do not yourself take away from others their means of an honest livelihood. You have opportunities for material and social advancement, whereby you hope to better the condition of yourself and family; would you have others through selfishness, or greed, or covetousness, or any other unworthy motive, deprive you of those cherished opportunities? If not, do not, for any reason, deny them to others.

You have, what is the best earthly possession of man, a pleasant, happy home of your own. You have turfed the lawn with grass, and planted in it choice flowers, ever-green shrubbery, and beautiful trees to make abundant shade; you have clean, gravelled walks; painted and embellished the house; inside the house, you have decorated the walls with pictures and mural works of art; placed soft carpets upon the floors; provided each room with necessary and attractive furniture; stored your library with good books—everything essential to household comfort—a good wife to keep the home in order, and give to you her sweet companionship; and happy children to make home cheerful and bright. It is home to you, where you can go after the toil of the day, and find joy and rest in its peaceful seclusion; it is home to the wife and mother, and in it, and the dear ones it shelters, are centered all her hopes and joys; her flowers, which she waters and tends with her own hands, speak to her messages of love; the laughter of happy children, the songs of birds, are to her the sweetest music; the household labors do not fatigue, because to her they are the labors of love; the husband and father is her king; she, herself, is the happy queen of the home, and her children are her priceless jewels; it is home to the children, for in it are father and mother; in it are the

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toys and books for childish amusement eloquent with birthday and holiday memories; in it are the dear loving associations of brothers and sisters and friends; in it are a thousand happy recollections to which their minds will fondly turn in all the after years; it is home to the family; if a member strays away into the outer world, his dearest consolation is that he can go back home. It is your home. It belongs to you. No unjust or cruel landlord can evict you for non-payment of rent, and cast your wife and children forth homeless into an inhospitable world less friendly than the pitiless winds of winter; nor can the tax-gatherer sell it from over their heads for taxes. Home! How dear is the word! There is only one dearer word than Home, and that is Mother. What would you not do to protect and to care for that home! Would you have others to make it impossible for you to own such a home? Would you have others to destroy the opportunities that make it possible for your children to own such a home? Would you have yourself, your wife, and your children made homeless vagrants? If not, help to make conditions such that every one may own a happy home, which would be the greatest service you could perform for the State and posterity.

The quiet home is the center of the restless activities of the world. Whatever of strife and confusion in commercial or political engagements, there should be peace and quiet in the home. Strong men have a zest for the conflicts of strength, intelligence, and skill in the industrial activities of life, but their homes are places for rest, to give them needed respite from toil and care. The warrior on the battlefield may find delight in the clang of murderous steel and the thunderous roar of deadly artillery; but he wants only music and flowers in his lady's bower.

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The love of home is the fountain source of patriotism and all the social virtues; it is the energizing force which moves the mighty enginry of human effort and progress; it is the inspiration of good government, the foundation and safety of the State, the security of religion and virtue.

Not many years ago, as compared with the historic annals of time, our forefathers fled the oppression of the old countries, braved the unknown perils of a pathless ocean, and pitched their tents in a savage wilderness—all that they might own a home in which to dwell unmolested. Land was to be had without money; but still the homes had to be wrested from a wild wilderness inhabited by savage beasts and still more savage men, at a fearful sacrifice of toil and deprivation—often of life itself—yet they were happy, because they were building homes for themselves and their children. The common aspiration of parents to provide homes for their children, and to surround them with better conditions, gave them encouragement to pursue their arduous labors and self-denials. The forests gave back before the sturdy strokes of strong arms and stout hearts, and cabin homes were built as the outposts of a civilization which was to follow. There was happiness in those homes because hope was there, and because the oppressor, that old dragon, had been left behind in the old world.

The natural difficulties to acquiring a home then, though great, were small in comparison with the unnatural obstacles which have now to be overcome. Homes now, if acquired at all by the poor, have to be wrested from the iron-grasp of greed at a fearful cost of labor and self-denial. We have known some in the purchase of homes to press their children into toil at young and tender ages, denying them any edu-

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cation, and depriving them of the common comforts of life. A prominent writer, recently writing on this subject, advised against the purchase of homes by the poor, having in mind their awful cost; and he was of the opinion that the homes, when paid for, were not worth the sacrifice demanded to own them. Instead of attacking the conditions which are making home-owning impossible, he advises the poor to live in rented houses, and to cease making any effort to own them.

When Freedom found a home in this fair land,
And held aloft her banner to the world,
None thought to see it grasped by evil hand,
Nor ever stained, nor in dishonor furled.

Community of interests made strong
The bonds of social union and of State;
They had a love of Right, a hate of Wrong,
The elements which make a nation great.

Good health and plenty recompensed all toil;
The harvests ripened 'neath a smiling sky;
Content to till the new and generous soil,
Their wants were simple, easy to supply.

No noisy clamor of commercial sway
Disturbed their valleys, or their peaceful dreams;
Nor smoke of furnace rose to cloud the day,
Nor factory to foul the limpid streams.

A dewy freshness in the field and grove,
And in each opening flower and budding tree;
The cultivated grain like magic thrrove,
The rivers still ran crystal to the sea.

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The birds on joyous wings, the trees among,
Were safe embowered in primeval woods;
They made the summer days more glad with song,
And nesting, unmolested, reared their broods.

And man was not less happy in that time
Which gave the world the noblest of his race;
Youth then was lengthened into healthy prime,
And robust age retained a youthful grace.

A love of home that formed the people's weal,
And Liberty, inspired to noble strife,
And set their hearts aflame with patriot zeal;
The same gave birth to this great nation's life.

A love of country, home, and fellowmen,
Which formed our nation would it still preserve;
The old ideals would revive again,
And Freedom's institutions yet conserve.

This continent, which circling oceans bound—
The white man's home, the red-man's hunting
ground—
Was formed by nature, wonderful and grand;
In Cyclopean furnaces, the fires
That trenched the valleys, cast the mountain spires;
The Architect who drew the mighty plan,
Himself, a temple built—a home for man;
The amethystine skies, the fretted dome,
That, opal-tinted, vaults this temple-home;
Sequestered valleys, carpeted in green,
The aisles; their streams, like bands of silver sheen;
The mountain walls are damasked with the Dawn
Where Evening's golden draperies are drawn,
Or, Morning's russet mantling chases Night,
And floods the wooded halls with radiant light.

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Four centuries of time have rolled away
Since that eventful, long-past autumn day
The daring Genoese made royal claim
To this New World, and gave his name to Fame.
A wilderness of wide extent it spread,
Inviting entrance, but provoking dread;
By wild things habited, and by men
No less untamed than forest denizen;
Primeval forests of interminable extent
Spread wide, beneath whose shades there came and
went

At will the lordly buck and timid doe;
O'er broad savannas roamed the buffalo;
Surpassing beautiful the sylvan scenes,
With nature unrestrained in all her miens;
The virgin soil untilled as yet by man;
The rivers to the sea unmuddied ran;
No sound the wooded silences awoke
Except the simple notes which nature spoke.

The wilderness is changed to open fields,
Whose cultivated soil rich harvests yields;
Where browse domestic animals, the deer
Fed unmolested with no thought of fear;
Productive farms and homes now dot the plain,
And growing corn, and fields of waving grain;
Great cities, pulsing with their fevered life,
Where wigwams stood, filled with commercial strife;
Through teaming valleys, rich with harvests, run
The arteries of trade from sun to sun,
Transporting products now by steam and rail
Where, undirected, ran the Indian trail.

Of Saxon strength and Celtic enterprise,
A mighty race the dual traits comprise,
Who built a nation on the righteous plan

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Of Liberty and Equal Rights to man,
Where genius the highest honors draws;
Where men, self-ruled, obey not kings, but laws.
The wild, ungoverned forces, which all nature fill,
At last are tamed, and made to do man's will;
The wands of science wind and sea enthral;
The lightning, in the storm-cloud, heard man's call
To be his messenger on wings of light,
Or slave to pull his car—or change the night
To artificial day—or yet to be
The force which turns the wheels of industry.
But sad it is that oftentimes men decay
Where opulence and luxury bear sway.
A country's wealth is measured not, nor sold;
Its manhood is its riches, not its gold.

Your home is no longer in danger from wild beast or painted savage. You no longer need the earthen walls of the ancient Saxons, nor the stone battlements of the Normans to protect your home from the noise and dangers of the battle and the chase. Trailing vines and blooming flowers in unfenced yards is all the protection your peaceful pursuits require; yet, there is an unseen, insidious foe to your home, making slow, but sure and merciless aggressions under the false title of "Vested rights"—its real name is monopoly.

"Do unto others as you would have others do unto you."

You would not be restricted in your individual rights or matters of conscience; then show to others the same tolerance that you would have them extend to you. You would not have others in their swinish greed appropriate to themselves the fruits of your labor, and condemn your children to the slavery of hopeless toil; then stand for Justice and Right in the

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dealings and relations of men, that labor may receive its due reward, and that the aggressions of predatory oppression may be restrained.

If you should be sick, or in trouble, you would want others to come to you with sympathy, relief, and encouragement; then visit the sick, and those who are in trouble, and do what you can to ameliorate their suffering and sorrow. If you should be pressed with a heavy burden of debt, and out of employment, you would like for others to give you work, so that you could pay your indebtedness, save your credit, your honor, and your self-respect; then assist others, similarly situated, to secure some remunerative occupation—remembering that *the best form of charity is, where possible, to put the unfortunate person in a position to help himself*, and then give him sympathy and encouragement, which will strengthen his character and manhood, and save his self-respect; he then becomes again a contributing factor to the general welfare of society, while alms would lower his self-respect and his manhood, and make him a confirmed mendicant and a charge on society.

You would like for others to coöperate with you in things that would better your circumstances; then coöperate with them in labors directed to the improvement of their individual and general welfare; for whatever improves the conditions of living in general, ameliorates the circumstances of the individual units of which society is composed.

If you would have others honest, be honest yourself; if you would have others truthful, speak the truth yourself, and never deceive; if you would have others magnanimous, show magnanimity toward them; if you would have others to be generous, set an example of unselfish generosity; if you would have others to be virtuous minded and pure, so that

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your wife and daughters might everywhere and anywhere be safe from insult or injury, then exemplify in the purity of your own life the beauty and desirableness of virtuous conduct.

"Do unto others as you would have others do unto you." "The Golden Rule." The one law, which, if universally obeyed, there would be for any other no need.

The fourth, and last, motto on The True Standard of Life is, "He who would become greatest among you, let him become the servant of all."

This last of the mottoes is of supreme importance in the future evolution of social ethics.

Emulation is essential to progress, as it is one of the mainsprings of human endeavor. Without a spirit of emulation, there would be little enterprise; and men would fall short of the attainment of the culture of higher education; they would be satisfied with mediocre conditions, and the great natural resources, the bountiful endowment to man by his Creator for his sustenance and comfort, would remain imperfectly developed. The desire to excell seems to be naturally implanted in man's being, and is necessary to his progress and happiness. The trouble has been that because of false standards, emulation has been pursued along wrong lines, for which society is to blame, and on account of which it has suffered irreparable loss. The ambitious seek after fame, which is nothing but the plaudits of men. Hitherto, the personal achievements of a few men in the acquisition of great wealth and power, and its exploitation for their personal aggrandizement, with little or no reference to the Common Good, has received society's loudest acclaim when it should have been given its most positive reprobation. Think you, if society would reprobate as vulgar and mean the acquisition

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and personal exploitation of great wealth, that there would be the temptation to it which now exists? No. Society is responsible for keeping up this false standard of wealth, and for the bitter strife with all its evil concomitants—envyings, animosities, covetousness and greed, which has filled the earth with sorrow, and drenched it in blood.

The aggressions of the strong upon the weak, of the rich upon the poor, has rendered the condition of life almost intolerable. Insatiate greed and lust for gain knows no mercy, and tramples under its feet the weak and poor without compunction. Not satisfied with appropriating to itself the fruit of others' toil, it defaces the once beautiful face of nature by polluting the streams, denuding the hills of their forests, robbing the mines of their treasures, and exhausting the soil of its fertility; yet society has looked on and applauded. If society would reprobate these things as base and vulgar, and encourage instead emulation in the public service for the benefit of all mankind, these wrongs and follies would cease. *We need to predicate popular approval alone on unselfish public service.*

"He who would be greatest among you, let him become the servant of all."

Fourth of July orators, and political speakers, laud our Government and its free institutions, and boast of this country being "The land of the free and the home of the brave," when the truth of the matter is, instead of being "The land of the free," it is cursed with the slavery of toil—the worst form of vassalage known to history; and instead of being the "home of the brave," the great majority of the people have no homes; and the conditions are already such that most of them never can have homes of their own.

We boast of being a great peace nation. One of

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our citizens, distinguished only for his enormous wealth, has builded in the capital of Holland a beautiful and costly temple dedicated to international peace; this, while in our own country, the deadliest war of all history is going on every day. Statistics show that over one hundred thousand meet violent deaths, and over one million are injured every year. Add to this number, forty thousand suicides; one hundred thousand made insane; five hundred thousand incarcerated in our prisons for crimes; and five million more who die premature deaths superinduced by overwork, worry, hunger, and want; to say nothing of race suicide, which would add still other millions, make the startling total of six million eight hundred thousand, one year's death-roll from insatiate greed in our own beloved country alone. Surely this fearful condition cannot always continue! Yet, centuries of similar conditions have so impressed and imbued the minds of the people with the commercial system of greed, that they have come to regard it as natural and necessary. The rich are regarded by the poor as the specially favored of Providence, in like manner, as they once accorded to kings the Divine right to rule. The poor believe, that somehow, they are placed under Divine displeasure, and that their poverty is the will of God. They have been taught to believe this monstrous travesty on God's justice, and to sing in their hopeless misery,

"I would not live alway, I ask not to stay
Where storm after storm rises dark o'er the way."

People cast themselves before the Juggernaut of Greed, and acclaim the power that crushes them in the dust. If one, influenced by love of his kind, has the temerity to protest against it, he is at once de-

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nominated either a scheming demagogue, a visionary fool, or a dangerous character. It will be many years—it may be centuries—before greed will give place to benevolence, strife to coöperation and helpfulness, self-seeking and self-aggrandizement to public service; but we have faith to believe, that in the slow evolution of social ethics, that good time will come.

Public sentiment is corrupted, and kept so, by subsidized interests. Those in possession of wealth dishonestly acquired, and those who have attained to political power through fraud for the purpose of graft, realize the danger to them of a truly enlightened public sentiment, therefore they subsidize the Press, and public sources of information, in order to keep the people blinded.

Mankind's best Friend was crucified; and the true reformers in every age and country have suffered a very similar fate. The mob continues to crucify a Jesus, and to release a Barabbus. And yet, after all, men, when free from passion and ignorance, are not as corrupt in heart as this would indicate. Remove the ablepsy of ignorance, and the sentiment of most people will be found on the side of right. Many who have better knowledge, and whose sympathies are enlisted for man's ethical advancement and social betterment, remain passive and inactive because of the difficulties in the way of giving effective assistance or public expression to their views.

An enlightened public opinion must be relied upon to secure any reform, but public opinion cannot be active and effective without organization. Organization cannot be effected without leadership. We, however, will not be discouraged. Right will ultimately triumph. Ethical evolution will some time be completed; and when it is, the factors which have

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been employed in it will cease to exist, because their work will be consummated.

When a grain of corn is planted, warmth and moisture cause the life-germ in it to germinate; as soon as the stalk puts out roots so it can draw its sustenance from the soil, and leaves to drink in the carbon from the air, the grain is totally absorbed in the growing plant. A butterfly, issuing from its crysalis, casts off the old dead, and now useless shell, in which it was confined. These transmutations in nature perfectly illustrate the evolution in social ethics. Right is an eternal, living principle, and when it shall be fully evolved in human conduct, to do Right, and to reprobate Wrong, will be instinctive and natural; the promotion of the interests of society will insure the highest degree of self-interest; public service will become the playground of ambition, and will engage the surplus energies and abilities of the strongest men, and the love and gratitude of mankind will constitute their just meed of fame; the Deity will be regarded, as what He is, "A God of Love"; love will take the place of fear, "For perfect love casteth out fear"; every man will look up to God as his Father, and on his fellowmen as his brothers. The family idea of government will then be complete. In the family, the strongest cheerfully bear the heavier burdens of toil, while the weaker members are given the kindest attention, and the most considerate care; so will it some time be in government; the weakest members of society will be cared for by their stronger brothers. Aggression, oppression, and strife will cease; the widow and the orphan will no longer be homeless and hungry; the sick, and the unfortunate, will not lack for attention and care; and the stronger members of society will cheerfully bear the heavier burdens. Then the waste places of the earth will be

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restored; the gullied hills will be reforested, and the soil of the valleys, renewed to virgin fertility, will teem with bounteous abundance; the natural resources of the earth, necessary to the support, comfort, and happiness of mankind, will be conserved and preserved; miserable, squalid, unhealthful hovels will give place to comfortable, clean, healthful homes; helpfulness to others will be as instinctive as catching a falling child, and every one will do Right because it is Right. Right will then be ascendant, and Wrong will have only negative existence. Wrong is unnatural—an ugly deformity—and when mankind shall be released from the false conditions which gave it birth, they will hate it, and cast it out of their lives. Right is natural and beautiful. As men come more in harmony with the natural and the true, they will love the Right, and become conscious of its sublime loveliness. Right conduct is the only natural conduct, and Right actions constitute the only real pleasures in life. Stimulated by the influence of right living, individual lives, will take on the beauteous adornments of virtue. Released from the temptation of avarice and greed, there will neither be oppressed nor oppressor. Coöperation for the advancement of mutual interests will become a delight and a duty; the true ideals of life will blossom in beauty, and bear the rich fruitage of real and aesthetic joys; hope, like iridescent light, will sparkle in the dewy freshness of perfect life, and like the "Bow of Promise," span with brightness life's darkest cloud.

THE END.



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